FINANCIAL TIMES

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WORLD NEWS

Jury clears airman in secrets case

Airman Paul Davies was yesterday cleared by an Old Bailey jury of three charges under the Official Secrets Act.

The prosecution claimed he had given Nato secrets to a spy, Mrs Eva Jafaar, in hopes of receiving sexual favours, while he was stationed in Cyprus.

Davies, 21, claimed confessions were coerced from him by RAF police. Mrs Jafaar gave evidence for the defence, denying she was a spy or had received information from Davies.

Space weapons setback

Prospects for early Soviet-U.S. talks on banning space weapons were set back when both sides disagreed over an agenda. Page 2

Germanies warned

Moscow sharply criticised the warming relationship between West and East Germany as a serious threat to East Germany's socialist system. Page 2

Craxi coalition backed

Italy's five coalition parties signed a deal aimed at keeping Premier Bettino Craxi's government in office for several more months. Page 2

Alliance to sue BBC

The Liberal/SDP Alliance is preparing to take the BBC to court, claiming that it is not reporting Alliance MPs' speeches adequately. Back Page

James Mason dies

British film star James Mason died at 75 in a Swiss hospital after a heart attack.

Package holidays scarce

After a glut earlier in the year, there is now a shortage of summer package holidays on the market. Page 3

Iraq denies jet claim

Iraq denied a Tehran report that Iran had shot down one of its Super Etendard air force jets over the Gulf.

Call for film realism

Soviet authorities have imposed strict new guidelines for films, which must reflect current problems and workers' lives.

Boost for bright mums

Singapore approved tax cuts for educated married women to encourage them to continue working and have more children.

Libya boycotts games

Libya withdrew from the Olympic Games, starting in Los Angeles today, after three Libyan journalists were refused entry. Commonwealth Games Page 2; Sports Page 15.

W. Indies make 500

West Indies were 500 all out (Greenidge 223, Davis 77) after two days of the fourth cricket test at Old Trafford.

Chariot of fire

A staeam train on an excursion from Swindon to Bristol sparked off 20 trackside fires, dealt with by up to 80 firemen at once. Future excursions are under review.

Financial Times

Production difficulties in the reading department may have resulted in typographical errors in today's edition, for which we apologise.

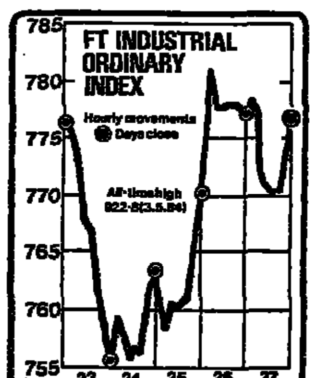
BUSINESS SUMMARY

Argentina in move toward debt solution

ARGENTINA is to use its own reserves to repay the $300m (£229m) loan it was granted in March by four other Latin American countries. The loan falls due next week.

The decision is seen as evidence that the Argentine Government is seeking an orthodox solution to the problem of its $43.6bn foreign debt — the third biggest in Latin America. Back Page

EQUITIES: The London stock market was unsettled by declining world oil prices. Oil shares fell on strong selling pressure and other leading industrial stocks followed, but a late rally developed to take the FT Industrial Average back up to close at 776.4 for a fall of 1.1 on the day and a gain of 0.2 on the week. Page 22



STOCK EXCHANGE ruling council suspended stockbrokers Kemp, Mitchell and Co from trading while an investigation is carried out into the conduct of the firm's business. Page3

SEA CONTAINERS, the world's biggest container leasing company, claimed to have reached an agreement with the National Union of Seamen virtually ruling out strikes involving Sealink UK, the ferry operator which it bought last week. The union last night denied the claim. Page 4

LLOYDS BANK is to raise up to £200m through a Eurosterling loan. It said the move would be simpler and more cost effective than a rights issue. Page 18

GOVERNMENT curbs on capital spending were blamed by Labour MPs in the Commons for exacerbating the effects of the drought. Page 4

SUN ALLIANCE and London Insurance, a leading composite insurer, increases its basic motor insurance premium rates by an average of 7½ per cent next Wednesday. Page 3

BRITISH Electric Traction's £175m bid to take full control of Initial, its 41.16 per cent owned cleaning affiliate, was blocked by a reference to the Monopolies Commission. Page 18

U.S. TRADE deficit was $8.9bn in June, slightly above May's $8.8bn but well below April's $12bn. Page 2

GENERAL MOTORS, the world's biggest car maker, increased second-quarter net earnings by 55 per cent to $1.61bn (£1.23bn), Page 19

BROKEN HILL Proprietary, Australia's biggest company, increased net earnings by 154 per cent to A$622.3m (£394m) in the year to May as its steel division returned to profit. Page 19

European Parliament blocks UK rebate

BY QUENTIN PEEL IN BRUSSELS AND MARGARET VAN HATTEM IN LONDON

BRITAIN'S £450m budget rebate from the European Economic Community, outstanding since 1983, was blocked again last night when the European Commission bowed to the decision of the European Parliamentto stop the payment.

Ignoring the fury of British politicians and officials, who charged that the entire exercise was both illegal and unjustified, the Commission announced that it could not pay the cash because parliament had voted against it by a large majority at its meeting in Strasbourg yesterday.

The move by the parliament, opposed only by British Conservative and Labour members, links payment of the rebate for 1983 to approval of a supplementary European budget for 1984, which is largely needed to fund increased spending on agriculture. The British Government has refused to sanction any extra funds, arguing that the money must be found from savings and deferred spending.

In the London, the Government condemned the parliament's decision as "contemptible" and "intolerable." Mr Malcolm Rifkind, Minister of State at the Foreign Office, said the parliament had behaved in a grossly irresponsible fashion.

But he insisted that Britain had no quarrel with any of its EEC partners. Britain's quarrel was solely with the parliament and, he suggested, it was not a major one.

Under the new financing system agreed at Fontainebleau, the parliament would not in future have any opportunity to interfere in the limiting of Britain's budgetary contribution. Its decision in blocking the rebate was "a dying gasp."

Government spokesmen were at pains yesterday to stress that the parliament's decision was a "minor irritant" which would not be allowed to sour Britain's relations with other EEC governments.

However, there was a strongly critical response from the Opposition and the Tory backbenches.

Mr Robin Cook, Labour spokesman on European affairs, said: "Mrs Thatcher's Fontainebleau agreement is now in tatters." He urged her to withhold British budget contributions sufficient to make up the rebate and to refer the parliament's decision to the European Court.

"The message is clear," he said. "Britain can have as big a rebate as we like as long as wel pay for it ourselves. This decision demonstrates the folly of agreeing to increase own resources before there is any commitment to controlling the soar-away agricultural budget."

Tory criticism was not confined to anti-Marketeers. Mr Geoffrey Rippon, a former leader of the Conservative group in the European Parliament, described the decision as "foolish and pig-headed" and said it would be deplored by every good European.

A statement from the Commission in Brussels last night said it required formal authorisation by parliament to pay Britain's rebate, although it was originally approved by the European summit in Stuttgart in June 1983.

The decision by the new parliament, meeting for the first time since the European elections in June, left British MEPs at loggerheads with their erstwhile political allies, with Tory and Labour members united in their anger.

On a show of hands, the parliament approved the proposal tying the rebate to presentation of a supplementary budget, thus overturning the decision to pay the cash

Continued on Back Page

British Rail given go-ahead for London-Edinburgh electrification

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

BRITISH RAIL has been given the Government go-ahead to electrify the east coast main line betwen London and Edinburgh at a cost of £306m. The project is the most important single rail investment since the London to Glasgow line was electrified nearly 25 years ago. The first contracts are likely to be placed shortly, with the work due to be completed in 1991.

Mr Nicholas Ridley, Transport Secretary, has approved the current scheme submission only two months after BR submitted it to his Department. This contrasts with delays imposed on rail investment submissions by Mr Ridley's predecessors. It is also further evidence of Government confidence that Mr Bob Reid, BR chairman, will meet the strict financial targets he has been set.

Mr Reid stressed yesterday that BR's future depended on maintaining uninterrupted services and appealed to railway workers not to get involved in the miners' strike.

He said: "I must stress how essential it is that we avoid getting ourselves involved in other people's problems, alienating our customers and driving them into the hands of our competitors." BR is losing £5m in gross revenue every week of the miners' action.

BR willfi nance the 361¼ route miles electrificaftion (the first 32 miles between Kings Cross and Hitchin are already electrified) out of its own resources. The project has been drawn up on the basis of a real return of about 7 per cent.

Electrification should provide greater reliabiilty, 25 per cent lower fuel costs, and a reduction of about 60 per cent in the costs of maintaining traction and rolling stock.

Journey times will fall only slightly: 10 minutes off the London to Edinburgh journey, (4 hours 30 minutes is the fastest current timing), and six minutes off the time to Newcastle and Leeds. The new rolling stock, however will permit more flexibility in seating and catering faciilties. The 36 high speed trains currently used will go to other services, including Edinburgh-Glasgow and Aberdeen-Glasgow.

The project will provide a long-awaited boost to the railway industry. The infrastructure cost will be about £170m, and new traction and rolling stock is costed at £16.7m. Some 31 Class 89 locomotives, presently being built as a prototype, will be required, and 310 passenger coaches.

BR said yesterday that 75 per cent of the work would go to companies in the private sector. It will g out to competitive tender on the rolling stock and traction equipment, and for some of the permanent war needs.

The project has been a BR ambition for many years. In the late 1970s much more extensive electrification of the network was planned and recommended by a joint BR/Department of Transport study.

However, Mr Norman Fowler,

Continued on Back Page

Revenue stamps on duty avoidance

BY CLIVE WOLMAN

THE Inland Revenue is adopting a tougher stance against tax avoidance by relying on a court ruling to challenge company stamp duty savings schemes.

The announcement, made in a Commons written answer by Mr John Moore, Financial Secretary, is expected to transform the mechanics of company takeovers.

The announcement has an immediate effect on the £400m agreed bid by Sun Alliance for Phoenix Assurance. Sun Alliance, which hoped to save £3m of stamp duty by using a common avoidance scheme, is considering withdrawal and amendment of its offer document.

Tax practitioners last night were surprised that the Revenue was seeking to apply such a far-reaching interpretation of the principles of a House of Lords judicial ruling in February in the case of *Furniss v Dawson.*

Many assumed that stamp duty avoidance would not be affected by the new judicial principle that any step inserted into a composite transaction purely for the purposes of avoiding tax could be disregarded. The authoritative textbook on stamp duty says that as it is a tax on documents and not transactions, it should not be affected.

According to Mr Graham Massey, a barrister and tax specialist: "It is a surprising step for the Revenue. They must intend to apply the principle to all other taxes."

The Revenue emphasised last night that the decision was taken by the Board of the Inland Revenue and not the stamp office, and that the same principle would be applied to all taxes.

"If someone does not agree, it is up to the courts to decide."

The stamp duty avoidance scheme under attack, called the Pref Trick, involves the artificial and temporary removal of all value from the shares in a company being taken over. Bidding companies such as BTR and BAT Industries have soved more than £35m in taxes over the last year by using the scheme.

Mr Moore announced that provision would be introduced in the 1985 Finance Bill and back-dated to today to exempt from stamp duty cases where shares are given by the bidder in exchange for shares in the target company. But stamp duty will be assessed when cash is paid for shares, including underwritten cash offers.

Mr Moore also said that the principle would not be applied retrospectively where takeovers had gone through.

These concessions are of no assistance to Sun Alliance which has offered cash for the outstanding shares in Phoenix Assurance.

The provisions may encourage a greater use of share rather than cash offers. But takeover specialists in City merchant banks last night supported the move.

Mr John MacArthur, a director of Kleinwort Benson, said: "These avoidance schemes have been a bit of a hassle. Now the position seems clear."

China adopts conciliatory tone over Hong Kong

By Mark Baker in Peking

CHINA APPEARED to offer Britain an olive branch yesterday as Sir Geoffrey Howe, the Foreign Secretary, arrived in Peking for the latest round of talks on Hong Kong's future.

Wu Xueqian, the Chinese Foreign Minister, who astonished journalists waiting for Sir Geoffrey by giving an impromptu Press conference on the airport tarmac, adopted a noticeably conciliatory tone. He said he believed outstanding difficulties in the year-long negotiations on Hong Kong could be resolved.

The Chinese Foreign Minister said he would conduct "an in-depth exchange of views" with Sir Geoffrey on the remaining issues.

"I am sure that, with a spirit of co-operation and through the efforts of both sides, progress will be made," he said.

One of the main purposes or Sir Geoffrey's four-day visit is to urge the Chinese to give more detailed guarantees on Hong Kong's future. The Chinese have set a deadline of September this year for reaching agreement.

The Chinese are understood to want only a general agreement, leaving most of the details to be sorted out in the years up to 1997, when Britain's lease on most of Hong Kong runs out.

Last week, senior British officials indicated in London that "intractable problems" remained in the talks. Indeed, Sir Geoffrey told political and community leaders in Hong Kong, before flying to Peking, that Britain considered no agreement would be better than a bad one.

Although British officials in Peking yesterday said the negotiations were "still on course," they repeated British insistence on a "detailed and binding agreement" with the Chinese.

"Nothing has been conceded in the negotiations," they said.

China's proposal for a joint Sino-British working group to monitor Hong Kong's 13-year transition to Chinese sovereignty could be "helpful," the officials said. Hong Kong community leaders had agreed with the "concept of liaison" in the interim period.

Soviet move hits oil prices

BY IAN HARGREAVES

OIL PRICES fell sharply again yesterday as the Soviet Union cut the official price of its export crudes and the market was swept with rumours about problems in the Organisation of Petroleum Exporting Countries.

North Sea prices were especially hard hit. Brent crude fell by almost 50 cents a barrel, with one spot deal for August delivery concluded at $26.50.

This is a record low for Brent and opens up a gap of $3.50 a barrel between the Brent spot price and the official price of $30 a barrel.

The gap has not been as wide as this since the market chaos which preceded the London meeting of Opec ministers in March last year when the organisation cut its official prices by $5 a barrel. Brent has fallen $1.50 a barrel this week.

The expectation of lower oil prices contributed to a renewed surge in the value of the dollar on foreign exchange markets and sparked selling of sterling against most major currencies.

The Societ price cut of $1.50 a barrel, taking the price of Urals crdue for export to $27.50, will apply from August 1. It is expected to be followed next week by a similar cut in the price of Egyptian crude.

Both these crudes are priced monthly rather than quarterly as is the case with the British National Oil Corporation. Because some BNOC customers are also purchasers of Soviet crude the move is a further turn of the screw on BNOC to review its decision to maintain third-quarter prices at $30 a barrel.

"BNOC has got to go," said one trade last night who described the mood in the market as hysterical.

The market was plagued all day by rumours about Opec. Some had the organisation collapsing, others suggested oil ministers would meet soon to agree a production cut.

Professor Tam David-West, Nigeria's Energy Minister, issued a statement denying that Nigeria and Iran intended to leave Opec. "Opec will go from strength to strength," he said.

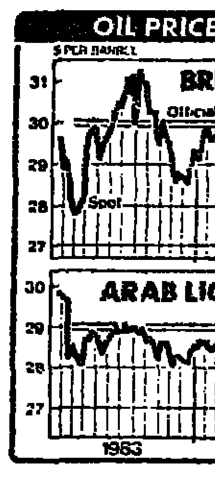
The oil market, however, is genuinely perplexed about the current scale of Opec production. Grieveson Grant, London stockbrokers, in their monthly report suggested a figure of 17.7m barrels a day for July, which would indicate an encouraging trend towards official ceiling of 17.5m b/d

The market is now in the traordinary position w Brent, which commands dollar-a-barrel premium at official price level over S light, is trading below light ($26.95 yesterday) in spot market. Heavy crudes, ditionally of much lower v are also trading close to Brent price.

Philip Stephens writes: dollar, underpinned by interest rates and the stre of the U.S. economy, close London at an 11½-year hig DM 2.8840, up nearly 4 pfen from Thursday's close, reached records against French franc and the Ita lira.

Sterling's fall came lar in response to the new rus funds into dollars but pound's vulnerability to le oil prices was reflected in s losses against other curren

Dealers said the Bank England intervened to st sterling at the day's low closed in London at $1.3 down nearly 2 cents f Thursday, and its tr weighted index against a ba of currencies fell to 78.4 f 79.



Britoil shares fell to 1984 lo w of 193p yester after the company repo disappointing first half sults. Net profits rose fr £52.5m to £63.4m, reflect a fall in interest charges. operating profits were d from £287.2m to £282.1m. shares closed 5p down at 2 Page 18

MARKETS

DOLLAR

New York lunchtime:
DM 2.888
FFr 8.8625
SwFr 2.4605
Y245.25

London:
DM 2.884 (2.846)
FFr 8.85 (8.74)
SwFr 2.461 (2.427)
Y245.3 (243.7)
Trade-weighted 137.3 (136.3)
Tokyo close Y243.75

U.S. LUNCHTIME RATES

Fed Funds 11¼%
3-month Treasury Bills: 10.27%
Long Bond: 103¾
yield: 12.81

GOLD

New York: Comex August latest $336.7
London: $336.5 ($343.375)

STERLING

New York lunchtime: $1.3115
London: $1.3115 (1.331)
DM 3.784 (3.7875)
SwFr 3.2225 (3.23)
FFr 11.5975 (11.635)
Y321.5 (324)
Trade-weighted 78.4 (79)

LONDON MONEY

3-month interbank:
mid rate 12 7/16% (12 5/32)
3-month eligible bills:
buying rate 11¾% (11 31/32)

STOCK INDICES

FT Ind Ord 776.4 (−1.1)
FT-A All Share 468.94 (−0.4%)
FT-SE 100 995.6 (−3.5)
FT-A long gilt yield index:
High coupon 11.27 (11.20)
New York lunchtime:
DJ Ind Av 1,114.18 (+6.63)
Tokyo:
Nikkei Dow 10,036.21 (+104.03)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; Germany DM 2.20; Italy L1,100, Netherlands Fl 2.50; Norway Kr 8.00; Portugal Esc 75; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Eire 60p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086

Setback to space weapons agenda

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE PROSPECT of early Soviet-American negotiations on banning space weapons suffered a setback yesterday, with a Soviet minister complaining that Washington's suggested agenda was too vague and the U.S. Defence Secretary stressing that any talks should focus on wider arms control issues.

Mr Viktor Komplektov, deputy Soviet Foreign Minister, told a Moscow news conference that the latest U.S. version of a joint statement, which both superpowers have been trying to draft for the past week, made it impossible for the Soviet Union to go ahead with space weapon talks, mooted to take place in mid-September in Vienna.

Last week Moscow proposed that both government issue a joint statement on their readiness to hold talks, limiting the agenda to space weapons and freezing their further development. It sent Washington a draft to this effect.

A U.S. counter-draft, received by Moscow this week, only talks of "issues of concern to both sides," Mr Komplektov said. "There is not even a mention of space and "not a word" about a moratorium on space weapon development, he said.

In Washington, Mr Casper Weinberger, U.S. Defence Secretary, told reporters he saw "no point whatever in going to Vienna and talking about just one thing (space)," though he hoped the Vienna talks would materialise.

Evidently, several weeks of diplomatic volleyball have done little to bridge fundamental differences. The U.S. wants to revive discussion on medium- and long-range nuclear missiles, dorman since the Soviet Union broke off negotiations on these issues last year.

The Soviet Union does not want to be led back into missile discusions, but does want to negotiate curbs on planned U.S. tests of anti-satellite weapons later this year — hence its interest in a space weapons moratorium starting in September.

However, in the public posturing, neither superpower is calling its demands a formal precondition to the opening of talks, because neither wants to be publicly blamed for scuppering the talks.

For all the sharp words in Moscow and Washington yesterday, Mr Komplektov refused to pronounce the space talks initiative dead, while U.S. legislators were given a more optimistic briefing by Mr George Shultz, the Secretary of State.

Senator Charles Percy, chairman of the Senate Foreign Relations Committee, said after his committee had been given a closed briefing by Mr Shultz that the chances of U.S. and Soviet negotiators meeting in September now seemed "better than even."

Moscow attacks warmer German relations

BY LESLIE COLITT IN BERLIN

THE SOVIET UNION yesterday criticised the warming relationship between East and West Germany as a serious threat to the "socialist system" in East Germany.

Both Eastern and Western European diplomats in East Berlin said the charge reflected a growing rift between Moscow and its normally obedient East German ally.

The Soviet Communist Party newspaper Pravda said in a major commentary that Bonn was developing its relations with East Berlin under a "nationalist concept" which amounted to "undermining the socialist system" in East Germany.

Although the attack was ostensibly directed at West Germany there was little doubt East Germany was being warned to loosen its ties with the Bonn Government. Diplomats said the commentary aimed to prevent Herr Erich Honecker, the East German leader, from making a planned visit to West Germany in late September. The chief Bonn Government spokesman, Herr Peter Boenisch, said yesterday that problems had arisen in preparations for the visit.

The Pravda article ominously noted that relations between the two German states could not be "separated from the international situation." In recent years, relations improved between Bonn and East Berlin in spite of the war of words between Moscow and Washington. The Soviet Union used East Germany to maintain a dialogue with Bonn even after the deployment of new U.S. medium-range missiles in West Germany. However, East Germany appears to have gone several steps too far in Soviet eyes.

Pravda accused West Germany of using an "economic lever" and "political contacts" in its dealings with East Germany. Last Wednesday West Germany said it was guaranteeing a DM 950m bank loan to East Germany while at the same time it announced the humanitarian measures East Germany would concede starting August 1.

A senior Soviet diplomat said in East Berlin that he would be surprised if the measures were put into effect by East Germany as publicised in Bonn. Asked about Herr Honecker's trip to West Germany he said laconically "We shall see."

In recent weeks the Soviet media has grown increasingly critical of West Germany, alleging it was "revanchist" and "militarist."

Mr Boenisch, Bonn's spokesman, firmly rejected these charges yesterday. Such "propagandistic attacks" would not deflect West Germany from its present policy and commitment to "Ostpolitik," the long-term normalisation of ties with East Europe, he said.

Kohl faces row over power station's pollution

BY RUPERT CORNWELL IN BONN

THE RECESSED Bundestag will reconvene on Tuesday for an emergency debate on the Government's plans to start up at once a controversial new power station, which are causing deep strains within the ruling centre-right coalition.

The decision was taken at a special meeting yesterday of Parliament's home affairs committee. To attend it, Herr Martin Bangemann, the recently appointed economics minister, chose to cut short an important visit to the U.S.

The bone of contention is the coalfired Buschhaus station close to the East German border, which will not be equipped with an anti-pollution sulphur filter until 1987 at the earliest.

The Government had intended it should none the less go into service from August 1, in the interest of protecting 1,000 jobs in the mining industry. This, however, has led to an open rift with the Free Democrats (FDP), the junior coalition partners, and cast fresh doubt on the credibility of the administration of Chancellor Helmut Kohl.

In effect, the announcement of a special debate has given the Government until Tuesday to come up with a new compromise to satisfy the FDP, which wants the start-up delayed. If it cannot, then the Free Democrats are likely to vote with the opposition Social Democrats and Greens — and inflict upon Herr Kohl an embarrassing defeat.

The FDP's motives are seen as stemming less from purely environmental convictions as the need to reassert itself at a moment when it is facing a tough fight for political survival.

● West Germany and Austria agreed yesterday to do away with border checks on passenger car traffic between the two countries, in an arrangement similar to that reached a month ago between Bonn and Paris.

The deal will make the life of the West German driver easier—at least until he reaches the Italian border to the south. But it has been criticised by the West German police federation as overhasty.

Portugal passes internal security Bill

By Diana Smith in Lisbon

THE PORTUGUESE Government's internal security Bill was passed with parliamentary approval from the Socialist-Social Democrat majority.

Seventy-nine deputies from opposition parties to the Right and Left of the ruling coalition voted against the Bill.

A special committee has been appointed to make radical amendments to the Bill in October, when Parliament reconvenes after the summer break.

Leading Socialist deputies and the opposition resisted the draft Bill because of its emphasis on military involvement in internal security and because of sweeping powers it proposed to grant to the authorities to carry out wire tapping, searches, arrests without warrant, and other infringements of civil liberties when involvement in terrorism is suspected.

Such powers are viewed with dismay in Portugal, whose citizens suffered for 40 years until 1974 from arbitrary harassment by a powerful police force. That police force, the PIDE/DGS, considers itself above the law and entitled to take whatever measures it wants against subversion.

W. German-Spanish rail order

BY OUR BONN CORRESPONDENT

A CONSORTIUM of West German and Spanish companies has won a DM 1.5bn (£400m) turnkey contract to supply the Colombian city of Medellin with an urban railway system.

The deal, one of the biggest of its kind won abroad by a West German company, was announced by the MAN engines and engineering group of Nuremburg, one of the co-leaders of the project.

The other German companies involved are Dyckerhoff and Widmann of Munich and the Siemens electrical group. The Spanish partners are headed by Entercanales y Tavora of Madrid.

The project will be financed by two bank consortiums, led for the German side by Dresdner Bank and by Banco Exterior on behalf of the Spanish interests. Development aid funds will also be employed.

The deal will come as a welcome shot in the arm for MAN, which has long been in difficulties. These culminated in a DM 329m loss booked for the 1982-83 financial year, amid declining orders for its trucks and general engineering divisions, especially from abroad.

French police hunt highwaymen

AVIGNON—Police in southern France are mounting a vast operation in a bid to trap gangs of modern highwaymen preying on tourists.

Police in this southern French city said leave had been cancelled and men drafted to look for the robbers, who cruise the roads in stolen high-powered BMW cars, stopping drivers at gunpoint and taking goods and money.

They cited five incidents over the last few days and said during some of them shots were fired at motorists trying to escape.

In most cases the bandits, armed and masked youths, overtook their victims and forced them off the road. They held the passengers at gunpoint and demanded cash.

Early on Wednesday morning a Belgian couple were forced to stop by a gang of armed, masked youths at Augues-Mortes nearMontpellier. The husband managed to throw his car into reverse and escaped under a hail of bullets, which smashed the windscreen, tyres and lights.

Later that same day, on the main road between Avignon and Nimes, three young West German tourists saw armed men in a BMW trying to block their route.

The trio escaped by driving off at high speed with the horn blaring and lights flashing. Police said the would-be robbers only gave up the chase after half an hour.

A British lawyer was stopped and robbed of his suitcase just outside Avignon early on Wednesday morning. The bandits' car, a stolen white BMW, was later found abandoned nearby.

That same day a young West German couple sleeping in their car in a lay-by were robbed at gunpoint of FFr 3,500 (£300) by masked armed men.

Police said they were working on the theory that the gangs could be gypsies from the region, and pointed out that similar attacks had taken place last year.

Reuter

Ruiz-Mateos released on bail

RUIZ-MATEOS, the Spanish financier, was freed from a West German prison on a DM 10m (£2.6m) bail yesterday, but there was no word on Spain's request that he be extradited to stand trial for alleged fraud, AP reports from Frankfurt.

Sr Ruiz-Mateo's attorney, Herr Egon Geis, said through his secretary that the former head of the huge Rumasa business empire had been released after three months in the high security Preungesheim prison outside Frankfurt.

A West German court set the steep bail last Monday, but Herr Geis said his client's release was delayed while friends raised the money and arranged for a bank to post the bond.

Still pending is Sr Ruiz-Mateos' application for political asylum in West Germany.

Sr Ruiz-Mateos, 53, has claimed he was subjected to "political persecution" in Spain, where he is wanted on charges of fraud and embezzlement.

Algeria delays payment to Spain

BY TOM BURNS IN MADRID

SONATRACH, Algeria's national oil and gas company, has not repaid $14m due July 3 on a loan extended by Enagas, the Spanish state gas company, Madrid government officials said yesterday.

Madrid is interpreting the move as an attempt by Algeria to step up pressure in the long-standing dispute over the volume of liquefied natural gas (LNG) imports by Spain from Algeria.

The dispute is due to go to arbitration in Geneva by International Chamber of Commerce on August 17. It centres on a 20-year contract between Sonatrach and Enagas signed in 1975 which committed the Spanish gas company to importing on a take-or-pay basis 45bn British thermal units (BTUs) a year.

The contracted volume is well in excess of Spain's nautral gas requirements as Enagas imports from Sonatrach currently amount to about one third of the agreement's total.

Algeria is seeking payment for some $500m a year backdated to 1981 to cover the unused gas quota.

A feature of the acrimonious dispute has been the Algerian decision to suspend key Spanish contracts and its refusal to award any new ones. An important casualty has been the suspension of the Spanish contract to build a dam at Mexana. As a result Spanish exports of goods and services, which totalled just over $1bn last year to Algeria, are expected this year to be down by half.

The repayment was due for the second half of this year on a $150m soft loan extended by Enagas to Sonatrach at the time of the 1975 LNG contract. Payment had been made on January 3 this year, but the July 3 funds had not materialised, the sources said.

Repayment on the loan is due on January 3, 1990, and some $108m are still outstanding.

Dubliners braced for a pub-less Saturday

BY BRENDAN KEENAN IN DUBLIN

MOST OF Dublin's pubs were expected to shut today because of a strike by 3,500 barmen. The barmen voted to reject a pay offer at a mass meeting which went on until after 5 am yesterday.

Mr John Cagney, the general secretary of the Barmen's Union, indicated that he was [illegible] last-minute talks to try to avert the first such strike in 30 years and a serious threat to the city's lifestyle.

Family-run pubs and those outside the Dublin area were bracing themselves for an exceptionally busy weekend and it was expected that city pubs would be unusually busy [illegible] bye to their favourite haunts.

The dispute would seem to centre around the employers' demand for more flexible working hours from the barmen. Mr Cagney indicated that the 5 per cent pay offer might not be a main stumbling block but that his members could not accept the flexibility proposals as they stand.

U.S. trade deficit eased by June import fall

By Stewart Fleming in Washington

A DECLINE in imports for the second consecutive month has helped the U.S. register a merchandise trade deficit of $8.9bn in June, well below the record levels of over $12bn set in April. The June deficit is roughly in line with the $8.8bn recorded in May.

But it brings the shortfall for the year to $59.8bn only $10bn short of the deficit recorded in the whole of 1983 and well on track towards a deficit of between $120bn and $130bn which the Commerce Department is projecting for the year as a whole.

In June falling imports of foreign manufactured goods such as cars, steel pipe and telecommunications equipment helped to hold imports at $26.5bn compared with $26.8bn in May and $28bn in March. The decline came in spite of a 12 per cent rise in the cost of oil imports.

While imports declined, however, so did exports mainly because of lower sales of farm products abroad. Total exports were $26.5bn down from $26.8bn in May.

The seasonally-adjusted figures for the past two months suggest that there has been some easing in demand for foreign goods but most economists doubt that there has been a shift towards a fundamental improvement in the deteriorating trend in the trade balance. If economic growth is easing off from its rapid first-half pace, as many believe, the rate at which the U.S. is sinking into the red on its trade accounts could slow in comparison with the rapid deterioration in the first four months of the year.

House Bill aims to extend curbs on unfair trade

By Nancy Dunne in Washington

THE HOUSE of Representatives late Thursday approved legislation, backed by a coalition of industry and labour groups, that would broaden U.S. unfair trade remedy laws to keep out imports thought to be priced unfairly low.

The Bill was passed by a lopsided 259-95 vote after only four hours of debate. It goes to the Republican-dominated Senate where it will encounter greater resistance. It is opposed by the Administration, which worries that it could become a vehicle for even more restrictive legislation in the futures.

The legislation, called the trade remedies Reform Bill of 1984, extends the reach of current antidumping and countervailing duty laws. It would make actionable for countervailing duties foreign products which are subsidised at the point of manufacture or make use of subsidised natural resources.

The Bill's backers say imports such as cement from Mexico would be actionable because of artificial price advantages on Mexican natural gas used to in the production process.

The administration argues that the legislation violates international agreements and would be impossible to administer.

Although the proposed Act would probably never pass through the Senate committees, it may still come to the floor. The Administration has reportedly decided to bring two proposals to the floor in September—renewal of the U.S. Generalised System of Preferences, which extends duty-free benefits to developing countries, and legislation establishing free trade zones with Israel and Canada.

The move will open the floor for a general trade policy debate, and trade reform legislation, pressed for mostly by Democrats, could well be attached to one of those measures.

El Salvador aid rejected

By Our Washington Correspondent

THE HOUSE Appropriations Committee has voted to reject a request from the Reagan Administration for $116m in additional military aid for El Salvador this year.

At the same time the House also cut into the Administration's request for $944m of economic and military aid, mainly for Central America and voted to approve only $230m of foreign aid and $25m of military assistance.

The House votes run counter to actions in the Republican controlled Senate where a subcommittee has already approved the Administration requests. They came as the Appropriations Committee moved to make its final decisions on a $5.3bn Supplemental Funding Bill for 1984 which falls $1bn short of the Administration's goal.

The votes in the Democrat controlled House, which were largely on party lines, underline the problems President Reagan faces in trying to secure additional finance to back his controversial Central American policies now that the presidential election campaign is in full swing.

Coalition parties sign pact to keep Craxi in office

BY ALAN FRIEDMAN IN MILAN

LEADERS of the five parties in Italy's governing coalition yesterday signed an agreement designed to keep the government of Prime Minister Bettino Craxi in office for several months more.

The agreement, covering a variety of policies and the government's legislative programme, includes a commitment from the five-party coalition to seek an improved rapport with the opposition Communist Party.

The commitment follows signs this week of a possible thaw in frosty relations between Sig Craxi's government and the communists. It remains to be seen, however, whether talk of a thaw in relations can be translated into action.

Details of the five-party accord, reached after a week of intensive talks among the Christian Democrats, Sig Craxi's own socialists, the Republicans, Liberals and Social Democrats, were beginning to emerge last night. Among elements which could become clear in the next few days are adjustments to the cabinet because of Sig Pietro Longo's resignation. The budget minister resigned after allegations that he had been a member of the outlawed P-2 Freemasons' Lodge.

Sig Ciriaco de Mita, Christian Democrats secretary, and other party leaders emerging from yesterday's final talks, were satisfied. They described the agreement among coalition members as constructive. When asked whether the accord meant the government would continue in office for one year more, Sig de Mita declined to be drawn. He said the key objective was to create a stable environment for the parliament to legislate.

Esprit chooses £236m programme

BY QUENTIN PEEL IN BRUSSELS

NINETY RESEARCH and development projects involving nearly 300 European companies, research laboratories and universities, have been chosen by the European Commission to launch its Esprit programme to develop new information technology.

The schemes, costing some Ecu 400m (£236m), are intended to help the European high technology industry catch up with the U.S. and Japanese companies operating in microelectronics and advanced information processing. The projects involve at least two companies from at least two different member states of the EEC.

In spite of the European bias, both IBM and ITT, U.S. multinationals with widespread European manufacturing facilities, are involved, although not in a leading capacity, according to officials in Brussels.

The European Commission will provide half the scheme's finance, with the balance to come from industrial companies involved. The 90 projects represent the first phase of a 10-year programme, for which member states have guaranteed some Ecu 1.5bn (£885m) for the first five years.

The schemes have been selected by independent consultants from 441 different proposals submitted by industrial companies and research institutes for inclusion in Esprit, the European Strategic Programme for Research and Development in Information Technology.

They cover all five areas chosen for the programme, which are: advanced microelectronics; advanced information processing; software technology; office systems and computer-integrated manufacturing. Companies or organisations from all ten EEC countries are involved.

The commission said yesterday that the oversubscription of projects was very encouraging and promised that those which were not selected could be reconsidered in future years.

Full details of the projects and the companies and organisations involved will be published only once formal contracts have been signed "in the near future"—probably in September.

Bank crisis slows standby loan move by Philippines

BY EMILIA TAGAZA IN MANILA

THE Philippines delayed application for an SDR 615m (£80.28m) standby credit from the International Monetary Fund faces another big delay after the widespread bank run triggered by Banco Filipino's closure on Monday. It is the country's largest savings bank.

Banco Filipino declared a bank holiday in 89 branches after the central bank refused to extend additional emergency loans to help it service withdrawals from depositors.

In an attempt to stem the run, the central bank has released cash advances to other banks, resulting in an increased liquidity, this runs counter to the government's commitment to the IMF.

The IMF credit, under negotiation for almost ten months, has stiff conditions attached, including drastic cuts in government spending and budget deficit, a flexible peso exchange rate, and tight controls on credit and liquidity.

Liquidity control has been the most difficult to achieve and has caused the big delay in talks. Before the bank's closure an IMF team had completed a review of the government's progress in reducing money supply. Central bank sources said the IMF had observed a slight reduction but "the level is still off the target the central bank itself had originally set."

Sources said IMF needed additional time to examine the effects of central bank's heavy cash advances. The delay could mean the extension of the mortorium on foreign loan principles which ends on October 14.

Muldoon to lead party for at least six months more

BY DAI HAYWARD IN WELLINGTON

SIR ROBERT MUDOON, the former New Zealand Prime Minister, will stay on as leader of the Oppesition and head of the National Party for at least six months, despite heavy pressure from leading members of his party to stand down.

There have been widespread calls from the party and public for Sir Robert to go. Many blame him for the loss of the election and say that as Sir Robert himself made the leadership into an election issue he should no longer head the party.

A move to get rid of Sir Robert at the first post-election caucus meeting of the National Party's remaining 37 MPs last week failed, mainly because those who wanted Sir Robert to go could not agree on a suitable replacement.

They did, however, agree to settle the leadership question in the New Year. Most of the MPs thought Sir Robert had agreed he would then go quietly. However, it appears that hopes that in six months the party will have recovered from the shock of the election loss and it will no longer be so anxious to find a sacrifice.

Those who want him to go increased the pressure and a special meeting of the party's Dominion Council—its ruling body—was called to review the leadership question yesterday.

It is understood Sir Robert stopped short of telling the council he would go. The Dominion Council is to revise its rules to give it greater power to intervene and override the parliamentary caucus's right to appoint the leader.

Sir Robert went into the council meeting armed with 2,000 letters and messages of support.

Commonwealth Games go to Auckland in 1990

THE COMMONWEALTH Games Federation awarded the 1990 Commonwealth Games to Auckland, New Zealand, and sidestepped a conflict over English sports relations with South Africa that threatens to disrupt the 1986 games in Edinburgh, Scotland, writes AP from Los Angeles.

The 54-nation federation was in a six-hour meeting on Thursday chaired by its president, Peter Heathley of Scotland.

Before the final vote for the 1990 Commonwealth Games, Western Australia's capital, Perth, withdrew in favor of Auckland in what had been a three-way contest. Auckland won 20-12 against New Delhi, India, many members abstained.

Air Vice-Marshal C. L. Mehta, head of India's delegation, said he was bitterly disappointed at New Delhi's defeat. He said the capital will make a fresh attempt for the games later.

New Delhi's defeat appears to have doomed the city's hopes of hosting the 1992 Olympic Games. Paris, Amsterdam and Barcelona are front-runners.

The federation set up a committee to study the African Commonwealth nations' complaint that an English rugby union tour of South Africa earlier this year violated an agreement to ban all Commonwealth sports contacts with South Africa.

The agreement was concluded during the 1982 Commonwealth Games in Brisbane, Australia.

The federation's decision to sidestep the conflict apparently diverted an African threat to boycott the Edinburgh games in retaliation for the English tour of South Africa.

Olympics feature, Page 16

LIBYA decided to withdraw from the Los Angeles olympics, the BBC quoted the Libyan News Agency Jana, as saying. The U.S. State department announced yesterday that it was barring three Libyans from entering the U.S. to work at the games as journalists. The three were refused visas on security grounds when they tried to board a U.S.-bound plane in Paris.

Tokyo increases price paid to rice farmers

By Robert Cottrell in Tokyo

THE JAPANESE Government has raised the price it pays farmers for their rice by 2.2 per cent, the biggest annual increase in four years. The award will cost the Government Y30bn (£92m) annually, and means Japanese farmers will now receive Y18,688 from the Government for each 60 kilos of rice produced.

The increase follows a political row over Japan's need to import 150,000 tonnes of rice from South Korea this year, despite a national policy of self-sufficiency in the staple food. The imports of rice are Japan's first in 17 years, and were necessary because the Government's rice stockpile has been reduced by four successive bad harvests and chemical contamination.

Because the Government usually bars rice imports, and subsidises farmers, consumers in Japan already pay three to five times the world free-market price for the commodity.

"Zenchu," the Japanese farmers' main lobbying group, had originally asked for a 7.7 per cent rise, though there was no serious likelihood of such a claim being met in full. The Government originally replied with an offer of 1.45 per cent, but parliamentary pressure from rural representatives contributed to the upward revision. The Government is also expected to ease its policy of encouraging farmers to cut rice-growing acreage, so as to minimise the possible need for future imports.

Hitachi plans Texas factory

By Our Tokyo Correspondent

Hitachi, the Japanese electronics manufacturer, says it plans to build a $45m wafer fabrication plant in Irving, Texas.

Wafer fabrication is the basic production stage in the making of silicon-chip semiconductors. It uses photographic and etching processes to create miniaturised electric circuitry, which is diced up into individual "chips," packaged, tested and sold.

Mr Takeshi Hosaka, president of Hitachi's U.S. subsidiary, Hitachi Semiconductor America, said that Hitachi plans to increase its U.S. sales from $40m in 1983 to $120m in 1988, expanding its local labour force over the period from 230 to 600.

Hitachi's Irving Texas plant was established in 1978, with facilities for "downstream" chip production including dicing, packaging and testing. The group's U.S. production has focussed on random access memory chips, which are used for computer memory storage.

Its production of mos-type chips stands at 1.2m per month. Mr Suzeo Hata, head of Hitachi's electronics devices group, says the addition of an "upstream" production facility at Irving will help Hitachi meet demand for "semi-custom" integrated circuits, which are designed to accommodate individual users' specifications.

Musician defects

Herr Thomas Barsch, an East German violinist touring Japan flew to West Germany earlier this month—the third member of the Staatskapelle Berlin Orchestra to defect, a Foreign Ministry spokesman said yesterday, Reuter reports from Tokyo.

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Meacher urges action to combat poverty

By Robin Pauley

A NEW national contract is urgently required to restore dignity and hope to Britain's "swollen under-class gripped by poverty." Mr Michael Meacher, Labour spokesman on health and social security, said last night.

He told Shelter's annual conference in Nottingham that the principles of citizenship in a civilised society must embrace not only the right to work but a right to a basic income sufficient for essential needs, free of hardship, insecurity and humiliation.

"That must guarantee a basic livelihood, not only for those in work but also for those who *through no fault of their own* cannot work."

The richest 20 per cent of Britain's population had just over £90bn in disposable income, while the poorest 20 per cent had less than £15bn.

"If the incomes of the richest fifth were squeezed by only £1 in £6 it would be possible to double the incomes of the poorest fifth or increase their incomes by 50 per cent and spend the rest on health and education," Mr Meacher said.

The basic principles needed to establish the proposed national contract included: raising the levels of low pay through the introduction of a national minimum wage in stages over three years; reducing levels of high pay through a national maximum salary of five times the national average wage (£[illegible],500); a revised income tax structure with five rates of 15, [illegible], 45, 60 and 75 per cent, and [illegible]ing all fringe benefits.

In addition, Mr Meacher said tax reliefs should be claimable only at the standard rate and should eventually be reformed.

Child benefit should be tripled and taxed, paid for partly through the abolition of the married man's allowance. All national insurance benefits should be raised to at least the supplementary benefit levels and some new benefits introduced, particularly a comprehensive disability allowance.

Lastly, an annual wealth tax was neded which would raise between £2bn and £3bn a year, plus tighter capital gains and capital transfer taxes and a re-introduced 15 per cent surcharge on unearned income.

Labour's long-term goal a nuclear free Europe

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

LABOUR'S long-term defence goal, as set out in a 52-page policy statement to be published next week, is a nuclear-free Europe in which neither the North Atlantic Treaty Organisation nor the Warsaw Pact would have any role. The statement was adopted by the party's national executive committee this week.

The paper sets about clarifying some of the compromises and omissions which confused the electorate during the 1983 general election campaign. The paper emphasises Labour's acceptance that unilateral disarmament is not, in itself, a defence policy and it is at pains to separate the party from any *whiff of pacificism*.

"The case for a non-nuclear defensive deterrents policy does not depend on taking a sanguine view of Soviet policy," it says at the outset. "We recognise that the Soviet Union and its Warsaw Pact allies have a large military capability, which could pose a potential military threat to Western Europe."

However, the paper commits the next Labour government to an uncompromising non-nuclear strategy: immediately cancelling Trident, removing all U.S. nuclear weapons, including cruise missiles, from British soil, and decommisisoning Polaris.

On the other hand, it stresses the need for a continuing strong commitment to Nato, with future British governments working within it for change to a non-nuclear strategy.

"Britain should retain the positions we hold, including commander-in-chief of Nato's northern army group," it says, "and use them to work for our policies of changing Nato's military strategy. We should take participation seriously, not opt out."

The paper stresses the value of U.S. bases and facilities in Britain in the conventional defence of Europe, as in the reinforcement and supply of the central front. And it argues for *a stronger British commitment* to strengthening Nato's conventional capability on the central front.

Here, it calls for a reorganisation in which the British Army on the Rhine would play an important role. This might include a "greater dispersal of Nato forces near the inter-German border, so as to improve the defensive posture of Nato's conventional forces." It also proposes introduction of obstacles and barriers on the border for deployment in crisis.

Any increase in the size of BAOR is specifically ruled out but the paper recognises a case for a redesigned central front to reorganise and enhance Nato's reserve forces. Britain should co-operate in this, it says, possibly expanding its reserve forces both for defence of the UK itself and for reinforcing BAOR.

The paper argues for restructuring the RAF, shifting it from an offensive to a defensive role. It suggests that the nearly completed Tornado GR1 strike aircraft programme should be redeployed in a different role.

But, it adds, emphasis should be shifted from large and expensive weapons platforms to smaller and simpler vehicles and aircraft "which would be more manoeuvrable, easier to conceal and could be produced in larger quantity because of their lower cost."

Coastal defence, it says, should be strengthened in view of Britain's prime responsibility within Nato for the eastern Atlantic. It calls for a strong navy and an integrated maritime policy extending beyond the Royal Navy to the merchant navy, its personnel and shipbuilding capacity.

The paper recognises that savings achieved by scrapping nuclear weapons will not have an immediate effect in bringing Britain's defence spending down towards the average of its major European allies as a proportion of national income.

MPs urge MoD to cut stocks

BY DAVID HELLIER

UP TO £500m could be saved by the Miinstry of Defence if it reduced the supply of stores to the armed forces by between 5 and 10 per cent, says the Committee of Public Accounts report published yesterday.

The all-party committee of MPs recommends urgent action to reduce stock levels and make substantial savings in the MoD's budget. The £500m would be a once and for all figure, although there would be further annual savings.

A fire last year at the central ordnance depot at Dinnington highlighted the fact that the MoD had been holding surplus stock, says the report. Although the fire destroyed stocks with a book value of £169m, the Ministry decided to replace only £54m worth.

The MPs say there is sufficient evidence to make savings, even on the most pessimistic assumption. The ministry had accepted that there were excessive stocks in some areas but did not believe the total was too high.

"We believe, however, that the general extent of overstocking is likely to be much higher than the ministry appears to accept," the report says. Urgent action to re-examine MoD storekeeping strategy, attitudes and approach was needed.

Some centres had stocks equivalent to seven years' peace-time issue, which the committee felt illustrated significant over-stocking.

Stock levels overall represented some three years' peacetime issues — or 2¼ years at the exceptional levels reached because of the Falklands campaign.

The committee supported re-examination of the need for three separate supply organisations for the services as part of reviews taking place at the MoD.

Economy of Stores Support, Commons Paper 411, SO, £4.65.

Cheap imports blamed for closure of clothing plant

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

NORTHERN IRELAND'S beleaguered textile industry suffered another blow yesterday with the announcement that Ulster Laces is to close its plant in Portadown, Co Armagh, with the loss of 300 jobs.

The company, which makes warp-knitted garments such as cardigans and jackets, blamed cheap imports from Hong Kong, Taiwan and South Korea

The company admitted, however, that it had continued to produce goods which were no longer in fashion and that demand had fallen considerably.

Ulster Laces began operations 45 years ago, producing traditional Ulster items such as lace embroidery and later handkerchiefs, dressing gowns, blouses and children's wear. For the past 12 years its *main* output has been knitwear.

Marks and Spencer was a major customer but when its link with the chain store ended it was unable to find sufficient alternative outlets.

The company said: "Marks and Spencer supported us extremely well through very difficult times, but there was just no way we could compete with Third World imports."

Ulster's textile and clothing industry, which accounts for a quarter of manufacturing jobs in thep rovince, has been hard hit in recent years.

Employment in textiles fell to 11,030 last year, a 10.4 per cent drop on two years earlier. On the clothing side the number was down by 13.2 per cent in the same period to 15,010.

Investment in the remaining firms has improved productivity and the Northern Ireland Industrial Development Board said last night it was now possible to produce shirts, for instance, at a price which could compete with Far Eastern imports.

Unemployment in the Portadown area, is just over 19 per cent.

Cargill UK to expand Hull export terminal

By Richard Mooney

CARGILL UK, the international grain trader, said yesterday it was investing £1.5m to expand capacity at its Hull grain export terminal. The programme, which should be completed by the end of next month, will lift capacity to more than 1m tonnes a year from about 750,000 tonnes now.

The company said jobs would be created but it could not say how many because this was the subject of talks with the National Dock Labour Board.

Cargill created its Hull silo complex in 1979 when it spent about £3m to convert a redundant import silo. Since then it has handled grain exports totalling nearly 3m tonnes.

The present investment will double the complex's storage capacity to 60,000 tonnes and uprate loading facilities from 1,000 to 1,200 tonnes an hour. Truck-receiving operations are being accelerated.

GLC in £50m power-from-rubbish plan

BY MAURICE SAMUELSON

THE GLC has ordered a feasibility study into a £50m plan to burn 300,000 tonnes of urban waste a year in the redundant power station at Belvedere, South London.

The study will be carried out by council officers in association with consulting engineers W. S. Atkins and Partners. When fuelled by waste the power station would supply about 18 Mw of electricity to the national grid.

A further £9m is to be spent on extending the council's waste-fired power station at Edmonton, North London, which earns £4m a year from sales to the Eastern Electriciy Board.

It currently disposes of 400,000 tonnes of waste a year at a net operating cost of under £10 a tonne, well below the cost of landfill disposal.

At Edmonton the council is also to build a £1.2m plant for incinerating clinical waste from all over London.

Mr Lewis Herbert, chairman of the council's environmental panel, said that as the country's biggest waste disposal authority, it "simply cannot dump London's rubbish on the surrounding counties."

It had a duty to reduce the volume is exported, with the least environmental impact and, if possible, "to recover value for the rubbish."

● In south-east London, Geothermal Resources (UK), a private U.S.-owned company, has begun drilling a 1.30 0foot borehole in search of "hot rocks" for heating 5,000 homes in the GLC Thamesmead development.

The borehole, on the site of the former Woolwich Arsenal, will show whether it is worthwhile sinking a mile deep borehole costing £2m.

Package tour glut replaced by famine

By Arthur Sandles

The package holiday glut is turning into famine. A huge surplus of tours offered this year led to price-cutting and the dumping of about 1m charter seats on the market. Now, however, peak season demand is exhausting supply.

Thomson Holidays, Britain's biggest package tour company, said it had nearly run out of trips until the end of next month. Until then it had available only holidays from Scottish airports.

Horizon said its late booking department had gone "crazy" over the past two weeks. It still had holidays on offer but if bookings continued at the present rate, there would soon be nothing left.

Intasun said that for the past few weeks it had been fantastically busy. Late bookings had been made in unprecedented numbers. It said there was little to sell before the end of next month because demand had outstripped supply in most resorts.

the tightening in the market: August is usually the tour companies' busiest time, so they would expect to sell heavily. Many clients were lulled into believing the early-season glut would mean plenty of tours on offer at the last minute. Economic circumstances led people to wait to see if they had the cash before travelling and tour companies advertised heavily recently.

Thomson launched a large summer - sale campaign recently in what was seen as a bid to clear its shelves. This seems to have worked. The company said that two weeks ago it had many holidays but at the moment it had little to offer.

A problem for many operators has been finding hotel accommodation in resorts, particularly on the Balearic islands. The difficult areas for aircraft seats appear to be for some Greek islands.

Horizon is overcoming the accommodation difficulty by selling special mystery tour seats which guarantee accommodation. Its representatives then have much more flexibility in seeking rooms in a specific resort but give no commitment to which hotel.

Meanwhile the Government has been told it should not be over eager to tamper with the travel industry's holiday cash protection schemes. There had been indications that it wanted to see much of the system turned over to private insurance companies.

A report commissioned from Sir Peter Lane of Binder, Hamlyn, chartered accountants, by Mr Nicholas Ridley, the Transport Minister, says present protection schemes are adequate.

Broadly these involve bonds being lodged by travel companies, to be called in if a company fails, with support from the Air Travel Reserve Fund if the bond is insufficient, as in the Laker Airways collapse.

The Government has been urged to improve the bonding system and to take powers to reintroduce a levy on package tours to increase the reserve fund if necessary. The Transport Department said it accepted this recommendation.

Hitherto the strength of the system has been the speed with which other tour operators intervene to rescue physically stranded holidaymakers for whom the distant promise of a cash refund might be little comfort.

Stock Exchange suspends brokers Kemp Mitchell

BY JOHN MOORE, CITY CORRESPONDENT

THE STOCK Exchange ruling council yesterday suspended stockbrokers Kemp Mitchell and Company from trading while an official investigation is carried out into the conduct of the firm's business.

The move followed a hastily convened meeting yesterday of the council after receipt of information about the firm's operations. The council ruled that no new bargainst may be entered into by Kemp Mitchell, associated members, or employees, without its permission.

The Stock Exchange also said that an ancilliary subsidiary, Gitnal Nominees, was also affected by the ruling.

Mr Alan Kemp, the senior partner, said last night: "We are deeply shocked and disturbed at this suspension move The firm is highly profitable and solvent and nobody is any danger whatever. This action would seem to relate to some Eurobond transactions that took place a couple of years ago No client or partner has lost or made any money out of the situation which occurred at that time"

Kemp Mitchell was formerly known as Gittins and Co.

During the late 1970s the Stock Exchange carried out an investigation into alleged irregular share dealings involving "put throughs"—deals where buyers and sellers have been pre-arranged.

It found instances in which Harvard Securities, a firm of licensed dealers, had evaded stamp duty on certain transactions. In one instance blame was laid on the brokers, Gittins and Co. acting for Harvard, where stamping duties for Harvard's deals was carried out.

Last year Kemp Mitchell acted in a bitter take-over battle for Tring Hall Securities, the troubled City issuing house. Kemp Mitchell acted for Haverford Securities, which tried to take over Tring Hall's parent company.

Audit watchdog refuses to clear Audit Commission

BY ROBIN PAULEY

AFTER A long, acrimonious argument the National Audit Office has refused to give a clean bill of health to the first set of accounts from the Audit Commission.

The office, headed by Sir Gordon Downey, Comptroller and Auditor General, has recently take a strong line on public accounts for which it is responsible.

It was apparently so displeased with the state of the commission's accounts that it threatened to qualify them, the ultimate disgrace for a body established to oversee the quality and standards of audit in English and Welsh local authorities.

The office sent the commission's accounts back 12 times with queries and demands for improvement and clarification. In the end the commission was unable to put the accounts into adequate shape.

The office has now issued a note of disclosure, a milder rebuke than a qualification. The note has been issued over the failure to allocate enough overheads to cover £20,000 in charges, resulting in a £20,000 shortfall in the accounts.

The commission's failure to maintain the highest audit standards is certain to raise controversy though publication of the accounts is not now expected until the end of next month, well after parliament has gone into recess.

Mr John Banham, commission controller, said the note of disclosure attached to the accounts was the result of a technicality over the way in which overheads were allocated.

The commission was the idea of Mr Michael Heseltine when he was Environment Secretary and was set up by his successor, Mr Tom King, in January last year.

The idea was to force more councils to use private sector auditors rather than relying almost exclusively on the district audit service.

The worst thing that could have happened to the commission, responsible for improving the quality of audit, is to have its own first year accounts declared unfit.

The commission chairman is Mr John Read, chairman of Lep Group. He was appointed in January last year with Mr Banham, a former management consultant at McKinsey.

Commission members include leading figures in the audit world such as Mr Ian Davison, former senior partner of Arthur Andersen and now chief executive of Lloyd's, Mr Noel Hepworth, director of the Chartered Institute of Public Finance and Accountancy, Mr Peter Kimmance, former Chief Inspector of Audit, and industrialists such as Sir Lawrie Barratt, chairman and managing director of Barratt Developments, and Sir Kenneth Bond, deputy managing director of GEC.

Britoil donating £290,000 to Glasgow drug centre

BY LISA WOOD

BRITOIL is donating about £290,000 from its charitable trust towards a drug rehabilitation centre in Glasgow.

The donation involves conversion of a property for the project and five years' running costs.

The Glasgow centre will be used for education and prevention. There is an acute shortage of post-hospital treatment facilities in the city. The Church of Scotland will staff and run the centre

Mr Ian Clark, joint managing director of Britoil, said: "Companies which are earning profits have the responsibility to put something back into the communities from which they draw their resources."

Drug abuse, primarily involving heroin, is considered a serious problem in Scotland. In April, the Scottish Office announced the provision over three years of £1.3m for 13 projects centred on serious drug misuse.

The Government made £7m available to fund similar projects in England.

The treatment of drug addicts is primarily the responsibility of local health authorities. The Government has asked regional health authorities to propose schemes of treatment for drug rehabilitation by the end of the year.

Woolworth to sell 24 shops

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE WOOLWORTH stores chain is to sell another 24 high street shops under its long-term rationalisation programme to improve trading position. The move follows the sale this year of 34 stores, most to Heron Corporation.

Since the Woodworth chain was bought by a financial consortium in late 1982 it has steadily sold unwanted stores. Its total of shops has fallen from more than 1,000 to just over 900.

The latest batch is understood to be sited mainly in southern England. No sales have been agreed.

Postal rates to rise

THE Post Office yesterday confirmed that postal charges will rise by an average 5 per cent from September 3. The increases have been planned for several weeks, and will raise the cost of first class stamps by 1p to 17p and second class by ½p to 13p.

Sun Allianc[e] to raise car insurance premiums

By Eric Short

SUN ALLIANCE and Lon[don] Insurance is increasing its h[...] motor insurance premium r[...] by an average of 7½ per c[...] from next Wednesday.

It is the first time for [...] years that the company [...] raised its basic motor prem[...] rates, though it has carried [...] some rerating in both car gro[...]

Drivers in urban areas [...] be paying about 9½ per c[...] more for their motor insura[...] while owners of luxury c[...] will find their increases m[...] lower.

Sun Alliance is well down [...] league for motor insura[...] little more than 250 [...] motorists on its books. H[...] ever, if the planned mer[...] with Phoenix Assurance [...] through as expected, the c[...]bined group will be a le[...] in UK private motor insura[...]

Several insurance compa[...] put up their motor insura[...] rates in the first weeks of [...] year, but there have been [...] significant increases s[...] March 1, even though UK in[...]ance companies are piling [...] underwriting losses on [...] motor accounts.

Insurance companies ope[...]ing in the UK last y[...] recorded losses of £114.2m c[...]pared with £79.2m in [...] Analysts are forecasting [...] these losses could reach £2[...] this year due to rising numb[...] of claims and increasing c[...] costs. Theft claims are g[...] up, and insurance compa[...] believe many of them [...] fraudulent.

Nissan replac[es] executive mod[el] and raises pric[es]

By Kenneth Gooding, Motor Industry Corresponde[nt]

NISSAN is replacing its ex[ecu]tive car in Britain, the 2[...] early next month with a [...] model, the 300C, which will [...] over 10 per cent more.

The 300C uses the V6 en[gine] which also powers Niss[an] 300ZX sports car. Like [...] 280C, the 300C saloon has f[...] speed automatic transmis[sion] with lock up as standard as [...] as air conditioning.

The 300C estate has a [...] speed manual gearbox and [...] has air conditioning—someth[...] missing from the 280C esta[...]

Expected sales are low. C[om]pared with the average 100 [...] cars a year Nissan sells [...] Britain, the 280C accounted [...] only 326 in 1983, down f[...] 490 in 1982.

The price of the 300C sal[oon] is £10,750 against £9,721 for [...] 280C saloon, while the 3[...] estate is £10,475, up from £9[...] for the 280C estate.

Austin Rover has impro[ved] the specification of its execu[tive] car, the Rover SD saloon ra[...] in time for the August s[...] boom but has not increa[sed] prices.

Austin Rover has also ad[ded] features to the Maestro mo[...] at no extra cost. The m[ost] important is the introduc[tion] of the S series 1.6 litre en[gine] first used in the Montego.

Accounting change for power boards

AREA electricity boards [...] publish separate accounts [...] future for the appliance ret[ail]ing and contracting sides [...] their business.

The Electricity Council, [...] supply industry's umbr[ella] body, said the change was [...] help area boards "show t[...] are trading fairly and pr[...]ably."

The first separate accou[nts] will appear next month w[...] the 12 area boards in Engl[and] and Wales are due to publ[ish] annual reports. They will [...] be incorporated in the cons[oli]dated accounts of the indus[try] as a whole.

In the 1982-83 financial y[ear] appliance retailing contribu[ted] £336m and contracting £13[...] to the industry's turnover [...] £9.2bn. The combined acco[unts] showed a profit of £9.4m.

Lord Cudlipp returning to the Daily Mirror

By Sue Cameron

LORD CUDLIPP is to return to the Daily Mirror as personal consultant to Mr Robert Maxwell, the new proprietor of Mirror Group Newspapers.

The appointment comes just two weeks after Reed International, of which Lord Cudlipp was once a deputy chairman, sold MGN to Mr Maxwell's Pergamon Press for £113.4m.

Lord Cudlipp, also a former chairman of the International Publishing Corporation, now another Reed subsidiary, presided over the Mirror during the 1950s and 1960s when it was at the peak of its popularity and prestige.

Mr Maxwell said yesterday that he would be discussing "all aspects of newspaper publishing" with Lord Cudlipp except for the political policies of MGN newspapers.

Yesterday MGN also announced the departure of Mr Douglas Long, the group's deputy chairman. Mr Long, who has been with the Mirror group for 30 years, is said to have parted from Mr Maxwell on "amicable" terms.

Tebbit confirms recasting of aid

MR NORMAN TEBBIT, Trade and Industry Secretary, confirmed in the Commons yesterday that his department's schemes to aid industry are to be assembled under four headings.

There will be a business and technical advisory service, support for innovating, support for national and regional investment and British Overseas Trade Board support for exports..

He said these steps were recasting of aid schemes operated by the Trade and Industry Department which would harmonise criteria used in judging applications for assistance and simplify departmental procedures for dealing with them.

John Griffiths reports on the 75th anniversary of Morgan, the UK's oldest privately owned car maker

The '1930s throwback' that boasts a waiting list stretching into years

A CIVIC reception was held in the elegant Worcestershire town of Malvern last night in honour of the Moggie.

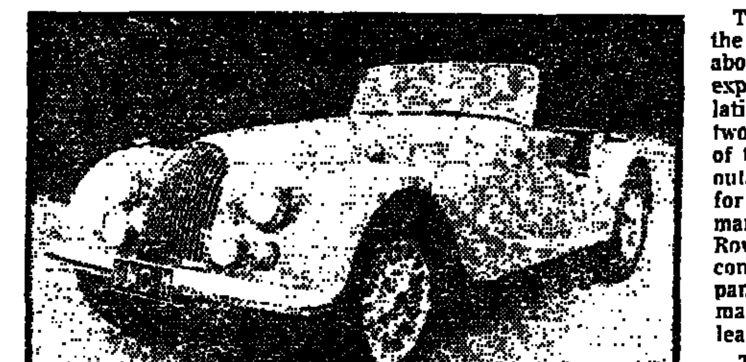
That is the affectionate nickname bestowed by thousands of owners worldwide on the idiosyncratic cars produced by the Morgan Motor Company. Last night they were celebrating its 75th anniversary.

The UK's oldest privately owned car maker, by all motor industry criteria, should not exist. Its products look like throwbacks to the 1930s. (Indeed, that is when its four-wheelers originated and visually they have not changed much.) Their frames are still partly of wood, and the motor industry's obsession with economies of scale does not mean much to a company which has never built more than 500 cars a year and which does not plan to do so in the future.

Under its chairman, Mr Peter Morgan — son of H. F. S. Morgan, the founder — the company's policy not to expand production no matter how big the demand in a notoriously "boom and bust" sector of the car market has almost certainly been its saviour.

At times order books have stretched as much as seven years ahead, but the policy provided Morgan and its workforce of just over 100 with a stability other small scale makers dream of.

The policy has gone hand in hand with an extraordinary degree of customer loyalty. Owners from the Continent, the U.S., Japan and other far-flung places have brought themselves and their cars to Malvern for the anniversary celebrations, which continue today and tomorrow with parades, driving tests and more social events.



The Moggie: distinctive styling over the years.

The international nature of the gather reflects the fact that about half of Morgans are exported in spite of the legislative problems that the open two-seaters can encounter. One of the big Morgan-owning areas outside the UK is California, for example — and the cars, many of which are powered by Rover V8 engines, have to be converted to run on liquid propane gas to gain access to the market, because of controls on lead emissions.

The Moggie prompted production of one of the world's longest bumper stickers, declaring: "I love my God, my country and my Morgan—but not necessarily in that order."

Currently Morgans sell in the UK for between £8,569 for the 1.6 litre car to £11,651 for the ferociously fast Plus 8 which is powered by the Rover V8. Undoubtedly, Peter Morgan could sell his cars for substantially more since waiting lists even now extend for several years. But he insists he wants to make sure that Morgan owners can continue to afford them.

Even so, Morgan will be taking a further step upmarket soon with the introduction of a Plus 8 powered by the higher-performance engine fitted to Rover's Vitesse. The car will look no different from current Morgans, but will have the acceleration and almost the top speed of a Ferarri.

A member of the Royal Family drove one of the pre-production cars recent[ly], describing it as "fantastic."

Certainly it will be a far c[ry] from the original Morgan bu[ilt] at Malvern in 1909. That was [a] three-wheeler, but neverthele[ss] one which was developed in[to] one of the best-known compe[ti]tion vehicles of the peri[od] between the wars.

Being a private compa[ny] Morgan is under no obligati[on] to detail its financial perfor[m]ance. But it was making mon[ey] even in the trough of the rece[nt] recession and with overhea[ds] such as the Melvern link facto[ry] amortised years ago, and [...] intention to invest in high[ly] expensive areas like rebodyi[ng] its cars, it looks well set for [a] stable, if unspectacular, futur[e].

Rail speeds of 80 mph forecast for nuclear fuel

By A Special Correspondent

NUCLEAR FUEL flasks could be travelling by rail at speeds up to 80 mph by the turn of the century, the Sizewell inquiry heard yesterday.

Dr Gerard Womack, principal engineer responsible for fuel flasks with the Central Electricity Generating Board, said routine tests at higher speeds than 60 mph had not yet been carried out.

He was confident that wagons could be developed to carry nuclear flasks safely at 80 mph on their way to reprocessing at Sellafield (formerly Windscale), Cumbria.

Mr Leslie Singleton, British Rail traffic manager, said existing flasks could travel considerably faster than at present.

Mr Singleton said the CEGB flasks were restricted to 45 mph, compared with 60 mph for flasks containing radioactive waste imported for reprocessing, which were transported on British Rail's Speedlink service.

Spending curbs worsened drought, Labour says

BY IVOR OWEN

CURBS ON water authorities' capital spending have exacerbated the effects of the drought, Labour MPs protested in the Commons yesterday.

Mr Jack Straw, an Opposition front bench spokesman on the environment, said millions of people faced their health being jeopardised, their holidays ruined and their jobs being put at risk not because of the action of the Almighty but because of cuts in public expenditure.

He said the Government had cut capital spending by water authorities by 40 per cent since 1979.

Mr Ian Gow, Minister of State for the Environment, said the level of investment authorised by the Government had been "justified in the circumstances."

He said "only very exceptional drought" had made it necessary to restrict the use of water, mainly in Devon and Cornwall, Wales and North-west England, and to ban the use of hosepipes by about 21m people.

Dr John Cunningham, Labour's shadow Environment Minister, accused the Government of "massive complacency" and said the prospect of water shortages had been apparent since early this year.

He calculated that, in real terms, expenditure on water resources had been almost halved since 1981-82, while the Government's external financing limits had prevented water authorities financing investment from borrowing.

Mr Gow rejected the charge and said £230m was being spent this year on improving water sources and supply.

He appealed for responsible and economic use of water, and said weathermen forecast no immediate end to the drought.

David Hellier writes: The Water Authorities Association revealed yesterday that the drought in western England and Wales was now more serious than the drought of 1976, with more than 40 per cent of the population affected.

Devon and Cornwall faces a 17-hour-a-day water cut-off next week unless there is a big fall in demand or sustained heavy rain. People in Wales face a similar situation from early September, and farmers and industrialists will be asked to halve consumption.

Hosepipe bans—capable of dramatic savings because one hosepipe can use 200 gallons an hour—have been imposed in Severn Trent Water, North West Water, Welsh Water, South-West Water, Wessex Water, Yorkshire Water in some areas of Thames Water.

North-West Water and Yorkshire Water have also applied for extension of the 1976 Drought Act to restrict further non-essential uses of water.

Only the south-east, where there has been normal rainfall until recently, seems to have escaped. People there might not realise the severity of the drought affecting western areas since early spring, the Water Authorities Association said yesterday.

Scunthorpe works faces ban on overtime

By Brian Groom, Labour Staff

THE British Steel Corporation's Scunthorpe works on Humberside, already hit harder by the miners' strike than the corporation's other four main plants, faces the threat of further disruption by large numbers of its own workers.

The Iron and Steel Trades Confederation works committee, which claims to represent 4,000 of the 7,000 Scunthorpe workers, has recommended an overtime ban from August 19 because of a row over bonuses.

The union is also threatening not to start work at mills unless correct manning levels are achieved, and to withdraw co-operation in carrying out deliveries to customers rapidly.

The dispute aroe because no agreement has been reached with management on a local lump-sum bonus scheme for 1984-85. Local self-financing bonuses are the corporation's main mechanism for pay increases.

Other unions have signed the deal and their members have received 5 per cent bonuses for April to June, including 3 per cent for achieving delivery targets. ISTC members have received the minimum 2 per cent payments.

Mr Roy Bishop, ISTC divisional officer, said members on an average £140 a week had lost about £55. They were annoyed because their efforts had been the main contribution towards reaching delivery targets.

Shop stewards are bitter about the cut in bonus at a time when they claim they have given BSC full support in its attempt to keep production going in spite of the miners' attempted blockade of ore and fuel.

The sticking point in the bonus talks has been BSC's plans to put jobs in steelmaking areas — such as the mould preparation bay — out to private contract. ISTC also objects to what it claims is a plan to abolish traditional lines of promotion.

The impact of ISTC's threatened action would probably be limited at first, because not much overtime is being worked. Three weeks have been allowed for further negotiations.

Imported coal is reaching Scunthorpe, but the train drivers' union Aslef and the Transport and General Workers' Union are blocking ore supplies from Immingham. Talks are taking place, but no ore has entered Scunthorpe for three weeks and stockpiles are expected to last only until September.

Trade Union Act to extend use of ballots given Royal Assent

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE Trade Union Act, which aims to extend use of ballots within unions, received the Royal assent yesterday and was immediately cited in aid of the case against the miners' strike.

Mr Tom King, the Employment Secretary, said that the extension of ballot-based democracy in the Bill had "one common aim—to return the unions to the members. In the light of the present dispute, I doubt that anyone can seriously doubt the value of that.

"The decision by Parliament that in future all strikes must be sanctioned by a secret ballot if they are to retain immunity is particularly important. It raises, once again, the question: when will the National Union of Mineworkers give their members a ballot?"

The Act will be phased in by stages over 18 months, and represents a considerably harder postal ballot line than the Government had envisaged, following amendments in the Lords.

Unions will be required to elect executive councils every five years by postal ballot from the end of 1985 (the exact date has to be determined). They must begin work setting up a register of members' names and addresses for use in these elections, and must complete the work for late 1985.

The Act's provision to make unions' immunity from legal action for organising industrial action conditional on the holding of secret and properly conducted strike ballots will come into effect on September 26. It will apply to any industrial action initiated by a union after that date.

The provision to allow union members to vote every 10 years on whether their union should maintain its political fund comes into force on March 31, 1985. This means that all unions with political funds will need to hold ballots by March 31, 1986 —unless they have already balloted their members in the previous 10 years.

The main changes in the Bill as originally drafted centre around the use of postal ballots to elect union executives. The Bill as previously drafted had provided only for secret ballots, presumed to take place largely at the workplace.

In the Act, the presumption is that the ballot will be by post unless the union can be satisfied that voting will be wholly free from interference or constraint and convenient to all members.

The unions have objected to all measures in the Act, and have threatened to ignore them. Some have complained that the injunction to set up a central membership record would involve the expensive computer systems, for which they are not prepared.

More far-reaching could be the provision to ballot on political funds. Union and Labour Partp leaders are concerned that these ballots, if they show majorities against continuing funds, will mean a number of unions being required to disaffiliate from the Labour Party.

Going gets harder for venture capitalists

Tim Dickson on why investors are more difficult to woo

VENTURE capitalists on both sides of the Atlantic are suddenly finding UK institutional investors harder to woo.

In the past few years they have enjoyed a bonanza as pension funds, insurance companies, merchant banks and investment trusts have poured money into specialist funds in Britain and the U.S.

While institutional interest in what is still a relatively new activity for the City of London remains intense, there are signs that the recent "shake-out" of U.S. high-technology stocks is taking its toll, that investors are becoming increasingly selective and that current stock market conditions are having a depressing effect.

TR Berkeley Development Capital, for example, a new department capital company set up by UK investment managers Touche Remnant and Berkeley Associates of California, fell well short of its $150m (£115m) maximum target when the fund closed at the end of May. Mr Christopher Kirman, a TR director, admits that the $58m raised for later stage financings in the U.S. was "somewhat disappointing."

Hambros Advanced Technology Trust, a £9m investment company which invests largely in unquoted UK businesses, has temporarily postponed a £10m to £15m private placing "because we didn't see ourselves getting there in current market conditions."

Rothschild Unterberg Towbin Ventures, a new venture capital fund trying to pull in up to $50m from both U.S. and international investors, reports that marketing has not been at all easy.

Gartmore Fund Managers International which expects to bring in $10m for its newly launched Pathfinder American Venture Enterprise Fund, says: "Technology is now a dirty word with some institutional investors."

More optimistically, Alan Patricof Associates has had a strong response to its APA Ventures 2 from existing and new investors and has increased its offering from £25m to cope with demand. APA's Mr Ronald When says UK institutions are still very interested in UK-orientated venture capital funds though he admits that raising money for the U.S. is becoming more difficult. A survey to be published shortly in the UK Venture Capital Journal will nevertheless show that UK pension funds, especially those run by local authorities, have been tucking away significant sums into U.S. venture capital partnerships.

UK venture capitalists usually back young companies with high growth potential and often like to get closely involved with the management of businesses in their portfolios. But few have a convincing record yet.

It appears that UK institutional investors which have subscribed to venture capital partnerships are in many cases waiting to see results before making further commitments, that others have been deterred by the recent absence of public offerings of venture-backed companies in the U.S., and that others remain unimpressed by the potential rewards. Some, like Prudential Corporation, have decided to invest more heavily in unquoted companies themselves, rather than use specialist intermediaries.

Gartmore's move to raise $10m for its new Jersey-based PAVE rests very much on the appeal of its San Francisco-based partners, Chappell Associates. The new fund aims to specialise in high-risk seed and early stage venture capital investments rather than the later stage financing favoured by the likes of TR Berkeley Development and others.

Mr Bob Chappell of Chappell Associates, who has been in the venture capital business for 20 years and whose firm will be responsible for selecting the investments, says analysis of existing portfolios "shows that our hit rate is higher and our return greater at the early stage."

PAVE, meanwhile, will seek to lower the risks and increase its return through Chappell's Mentor Program, by which all the fund's investments are introduced by a group of advisers —successful entrepreneurs who have changed direction in mid-career, like Mr John LaPorta, executive vice-president of Four Phase Systems until its acquisition recently by Motorola.

"They are all successful people," Mr Chappell says, "but they do not want to start another company themselves. Besides having their own money in the business, they are also motivated to succeed by the knowledge that their reputations will suffer if they don't."

Since August 1982 funds under the direction of Gartmore Investment Management have invested $32m in high-technology growth companies in northern California with the help of Chappell. Two of the nine companies in which equity stakes are held are expected to go public in the next 12 months.

However, Mr Simon Hunt of Gartmore concedes that investment conditions are not as favourable as a year ago "when companies were being floated on 10 times sales, let alone 10 times earnings." He adds confidently: "Technology stocks will come again before very long."

White-collar gas workers urged to vote for strike

BY DAVID BRINDLE, LABOUR STAFF

ABOUT 54,000 white-collar workers in the gas industry will be recommended to reject a pay offer of 4.8 per cent and are likely to be urged to vote for strike action.

This follows the suspension of limited disruption over a separate technology claim so the pay issue could be discussed.

The offer applies to most gas workers and compares with an average 4.6 per cent on basic rates accepted by 40,000 manual employees. Settlement date for the staff was June 1, but the employers refused to make an offer until the technology action was lifted.

The National and Local Government Officers' Association, which represents 44,000 staff, and the offer was unacceptable and that members would be balloted on strike plans.

The unions have claimed a flate-rate £12-a-week rise which they cost at just under 7.5 per cent on the pay bill. They say a 4.8 per cent increase would give roughly £8 a week more to the average employee, although about 250 junior staff would receive only 3.5 per cent.

The employers have also offered one day's extra holiday, pre-retirement leave of two days a month to a maximum of 24 days, and an increase in the limit on bonus payments to staff on sick or holiday leave.

British Gas said adult white-collar rates varied from £4,486 a year to £13,203, with the largest group of staff on a scale up to £7,330.

Although no further pay talks are planned, the unions do not envisage early consultation of members. Nalgo will not ballot before a delegate meeting of gas workers at the end of August.

There is no precedent for a prolonged national strike by staff in the industry and British Gas said the limited action over the technology claim—involving boycotts of further computerisation and associated training courses—had been patchy.

● The Union of Communication Workers will recommend acceptance of a 5.2 per cent pay offer for 46,000 members employed by British Telecom. The union says the offer will mean an extra £5.24 a week to a telephonist, bringing basic weekly earnings to £106.05.

Journalists may step up dispute at Sun

By David Brindle

THE two-week-old strike by 235 journalists at the Sun newspaper could escalate on Monday following the failure of peace talks at the Advisory, Conciliation and Arbitration Service.

The journalists plan to step up picketing and ask print-workers, who have worked normally through the dispute, not to cross picket lines.

The management does not expect the printers to support the strikers. However, 14 print chapels (office union branches) have sent a letter to the management, expressing concern at the failure to resolve the dispute and at the standard of the newspaper since the strike began.

During the 12-hour Acas talks on Thursday, the management did not improve on the offer, previously rejected by the journalists, of 7.5 per cent plus a £750 lump sum. The NUJ says the same offer was made; the management says it offered only 7.5 per cent plus £500.

The Sun, which has appeared every day since the strike began except last Saturday, is, according to the management, being produced by Mr Kelvin McKenzie, the editor, working alone.

The management says the average salary of the journalists is £19,500. The NUJ maintains that this is an arithmetic mean, including high-paid executives, and that the median journalists' salary is nearer £16,000.

Sea Containers pact with unions claimed on Sealink

BY OUR LABOUR STAFF

SEA CONTAINERS, the world's largest container leasing company, yesterday claimed it had negotiated a far-reaching provisional agreement with leaders of the National Union of Seamen and the National Union of Railwaymen.

In the absence of national industrial action, such an agreement virutally rules out strikes aimed at Sealink UK, which the company bought last week for £66m.

The company's announcement caused confusion last night among NUS officials. The union's first reaction was to deny as "ridiculous" the suggestion that it had agreed to restrict future industrial action.

Sea Containers insisted, however, that its statements in an advertisement to appear in the Financial Times on Monday had been cleared with Mr Sam McCluskie, assistant general secretary of the NUS. Mr McCluskie could not be contacted last night, and officials tried to trace him to clarify the position.

The company claimed the deal was forged during secret talks on Wednesday between senior mangement of British Ferries (Sealink's new holding company), including Mr James Sherwood, British Ferries' chairman and president of Sea Containers, and NUS and NUR leaders. It said union leaders had agreed to recommend the deal to their executives.

The advertisements, which the company says has the blessing of the union leaders, will say that "based on undertakings given by the new owners, both unions wish to inform the travelling public and road hauliers that no further action over the privatisation of Sealink UK will be recommended to their members."

The planned advertisement continues: "In the interest of assuring users of Sealink UK ships of regularity and dependability of service, so they may book their holidays and passages without fear of delay, the unions will be recommending to their membership that no industrial action be taken which would cause disruption to Sealink UK services and not at the same time to those of competitors."

TUC centre helps double co-op jobs

By Robin Reeves, Welsh Correspondent

THE WALES TUC's new Co-operative Development and Training Centre helped double the number of workers' co-operatives in Wales to 59, creating 150 new jobs in its first 12 months, according to the centre's annual report yesterday.

Mr George Wright, Welsh secretary of the TGWU and chairman of the centre's management board, said they were confident that a target of creating 1,000 new jobs in co-operatives over three years would be met.

The Wales TUC initiative grew out of a visit to the Mondragon co-operative movement in northern Spain, in the wake of the steel redundancies.

Willis balks at questions from CPSA

BY OUR LABOUR STAFF

MR NORMAN WILLIS, favourite to become the next general secretary of the TUC, has refused to give specific answers to questions posed by the Civil and Public Services Association in advance of the union's decision on which candidate to support for the post.

The CPSA had asked Mr Willis and his rival, Mr David Lea, questions about the job and the future of the labour movement. The intention was to circulate answers to the union's 850 branches.

Mr Lea, a TUC assistant general secretary, replied at length and a synopsis was published this month in the Financial Times.

Mr Willis, the TUC's deputy general secretary, has, however, told the union its questions "involve detailed matters which are before the (TUC) General Council and the forthcoming Congress and . . . it would be wrong of me to prelempt the assistance and advice I am required to give."

Instead, he has made a "general statement which reflects my work and trade union experience." This is given below in the interest of balance:

"Free and independent trade unions are an essential part of democracy and vital to the well being of ordinary families everywhere. here are no exceptions to this—in any country, at any time.

"Trade unions were created by sacrifice and have to be defended by shrewd, hard-headed representative action. We have a duty to win advances for members; defeat in that endeavour cannot always be prevented, but it should never be caused by unnecessary internal conflict. Unity and tolerance are not easy options. They are often dangerously difficult to advocate and require hard work to achieve. Getting it wrong is easy—your enemies will helup you.

"Our policies must not only be right—they also need to carry the support of our members. That means listening and learning. It may also mean giving a lead, and challenging members' views before forging a common policy in action. We have to earn support, not assume it, testing our own judgments by the most important contact with fellow members.

"The trade union movement has a particular problem. Workers have a right to have their particular interests represented. But sometimes these clash, and we have to balance these interests, determining our priorities and battling for them as part of the wider community. This requires establishing, in any situation, how much common ground we can all stand on, extending this by discussion and leadership, and then acting as carefully and decisively as possible. An General Secretary of the TUC, I will only be able to act in pursuit of these objectives in the way my experience with fellow trade unionists has taught me.

"I am very glad to have already received, in the form of nominations, the support of unions representing the majority of the TUC's affiliated membership. I am particularly pleased that support has come from unions representing every strand of opinion throughout the movement and from every quarter of the great diversity of industrial and service interests within Congress. I will lend all my efforts in the future to repaying that confidence."

APPOINTMENTS

Procter & Gamble makes changes

PROCTER & GAMBLE has appointed to the board Mr Y. Quek, advertising manager, packaged soap and detergents, and Mr S. W. Goodroe, sales manager, personal car products. Mr Quek comes to the UK from Procter and Gamble Germany, where he was advertising manager, personal car products. He succeeds Mr J. M. Cleary, who moves to Procter and Gamble Benelux as general manager, Belgium. Mr Goodroe comes to the UK from Procter and Gamble U.S., where he was sales merchandising division manager, health and personal care sales department. He succeeds Mr J. F. Orr who becomes sales manager, packaged soap and detergents in succession to Mr A. H. Keller. Mr Keller is to become general manager, Procter and Gamble Philippine Manufacturing Corp.

★

Mr Keith Miles has been appointed a director of CHARLES FULTON & CO, a member of the Charles Fulton Group.

★

Mr Michael C. Carnall has been appointed assistant director of the BRITISH GAS research and development division's on-line inspection centre at Cramlington near Newcastle upon Tyne.

★

MARDON PACKAGING INTERNATIONAL has made the following appointments in its rigid plastics and metals division, effective in August. Mr Walter J. Cooper, currently managing director of Fibrenyle, will become development director of the Division with responsibility for the longer term development of the Group's rigid plastics converting operations. He will also become deputy chairman of Fibrenyle, relinquishing his appointment as managing director. Mr Terry J. Bloomfield will be appointed managing director of Fibrenyle relinquishing his present responsibilities and managing director of Mardon Illingworth. Mr David G. Beeby will be appointed managing director of Mardon Illingworth relinquishing his appointment as commercial director, and Mr William A. Roxburgh will be appointed to the board of Mardon Illingworth as commercial director.

★

ALBINWING, a company formed to develop the Dwight Cavendish audio visual and laser projection sysetms, has appointed as chairman Mr D. M. Saunders, formerly chairman of Francis Industries, and a director of Evered Holdings, John C. Small and Tidmas, and the City and Metropolitan Building Society.

★

Mr Terence R. Goulder has been appointed a director of BAIN DAWES. He is managing director of the southern region of the UK division of the company.

★

Mr R. D. Bankier has been appointed a director of the marine division of JARDINE THOMPSON GRAHAM. Mr T. J. Richards has been appointed a director of the company's financial and technical services division and Miss J. M. L. Taylor has been appointed a idrector of the aviation division.

Chairman for Midshires

MIDSHIRES BUILDING SOCIETY has elected Mr A. W. Henn as chairman, and Mr R. B. de Zouche as deputy chairman. Mr Henn is a chairman of T. A. Henn, retail jewellers, and of Beacon Broadcasting. Mr de Zouche is a former director of the Liverpool Building Society which merged with Midshires Building Society in 1982, and is a senior partner in Wilson de Zouche and MacKenzie, a Liverpool firm of chartered accountants. He is a local director of Barclays Bank and a main board director of Merseyside and North Wales Electricity Board. Retiring chairman is Mr R. H. Howells, retiring deputy chairman is Mr A. G. Wright. Both will continue to serve on the board.

★

Mr Eric S. Moore has become managing director of METALRAX GROUP, Birmingham. Formerly finance director, he joined the group in 1965.

★

From August 1 Mr John Clay will retire as a director and deputy chairman of HAMBROS BANK. He will remain a director of Hambros and M.I.T.

★

WHITEHEAD MANN, an executive search company, has appointed Sir Peter Parker as chairman.

★

★

HITACHI SALES (UK) has appointed a new chairman and managing director to succeed Mr K. Sugyiama. He is Mr Shizuo Higashiura, who is also a board member of Hitachi Sales Corporation. Mr Higashiura was previously general manager of the Middle East and Africa department of the Hitachi Sales Corporation.

★

Mr Terry O'Connell has been appointed divisional director/general manager of LIN PAC PLASTIC MOULDINGS. Mr O'Connell takes up this new appointment 18 months after joining the Lin Pac Group in another managerial post.

★

OPTOMETRICS GROUP has appointed Mr Keith Costa to the board as non executive director. Mr Costa is president of Corning Medical and Scientific, London, a division responsible for the Corning Health and Science Group activities in Europe and Asia. The group comprises Optometrics (UK), PTR Optics and PTR Optics Corporation, Waltham, Massachuetts, U.S.

★

FIDELITY has appointed Mr J. T. Wiltshire as part-time executive chairman. He retired from GEC in 1981 where he held several appointments including managing director of GEC-Elliott Automation and was also previously a director of ICL and the British Aircraft Corporation. He is currently non-executive director of several companies and chairman of Abacus Electronics. The position of chairman was previously held by Mr Steven Dickman who remains as managing director.

★

Next president of the HOTEL CATERING AND INSTITUTIONAL MANAGEMENT ASSOCIATION will be Mr John Alderman, manager of the Crown Hotel, Blandform Forum. He will be inaugurated on September 25.

★

PACCAR UK has appointed Mr Mark Pigott as assistant managing director of Foden Trucks. He joins the Sandbach company from the U.S. where he held a number of positions with Paccar's, Kenworth and Peterbilt truck companies.

★

Mr Peter Anderson has been appointed to the board of CAMREX as industrial sales director. He was sales and marketing director of R. J. Hamer. Camrex is a Ruberoid company.

★

Mr Geoffrey Harrison-Dees will be joining the SUN LIFE GROUP on August 1 to lead a project to set up a unit trust management company. He comes from Mercantile House Holdings, where he has been director of marketing and sales for the Oppenheimer Unit Trust.

★

Mr Alxe Harris has been appointed an assistant director of CHARTERHOUSE JAPHET with responsibility for the management of the bank's mergers and acquisitions section in the corporate finance department. He has transferred from J. Rothschild and Co., where he was a member of the corporate finance team. Prior to joining the Charterhouse J. Rothschild group he was manager of the mergers and acquiistions section at Hill Samuel and Co.

★

Mr Anthony Richmond-Watson, a director of Morgan Grenfell, is to join the board of NORFOLK CAPITAL GROUP as a non-executive director. The group recently appointed Morgan Grenfell as its merchant bank.

★

Lord Mark Fitzalan Howard has been elected chairman of FLEMING UNIVERSAL INVESTMENT TRUST following the retirement of Mr D. M. C. Donald.

★

Mr Steven J. Ahearne has been appointed a director of BP CHEMICALS INTERNATIONAL. He has been a director of BP Chemicals the largest wholly-owned subsidiary of BP Chemicals International, since 1981. He joined BP in 1964.

★

At ATLAS HOUSE COMPANY (NETHERFIELD) Mr Cyril Radford has retired as chairman, but remains a director. Mr Anthony J. Hall, managing director, becomes chairman, and Mr John S. Pauley has been appointed managing director.

★

C. E. HEATH has purchased Peter Francis & Co (Insurance Brokers), Sawbridgeworth. The consideration for the purchase price of £275,000 has been met by the issue of shares in C. E. Heath. Mr R. C. Pooley, a director of C. E. Heath, and Mr B. Warburton, a director of C. E. Heath & Co (Insurance Broking), will join the board of Peter Francis & Co (Insurance Brokers) and Mr Peter Francis and Mr Leslie Clark will join the board of W. Adams (Insurance Brokers), a member of the C. E. Heath Group based in Hertford and Bishop's Stortford.

Marketing team at NatWest

Mr Ian Farnsworth and Mr Peter Newman have been appointed to lead NATIONAL WESTMINSTER BANK'S UK finance and marketing team based in London. Mr Farnsworth becomes senior international executive and Mr Newman his deputy as senior accounts executive. Previously Mr Farnsworth was executive vice-president (marketing) at NatWest's executive office North America in New York; Mr Newman returned to the UK a year ago from New York where he was senior vice-president of the New York marketing office.

★

Mr Brian Mellor, currently sales manager of Independent Radio Sales, is joining RADIO LUXEMBOURG as sales director.

★

Mr Robert Frey, head of the corporate finance and private client departments, becomes chief executive of MONTAGU, LOEBL, STANLEY & CO, stockbrokers. He will also have overall control of Montagu Loebl Stanley Financial Services. Mr Peter Evans has been appointed manager of the private client department. Mr Stephen Cooke has moved to the financial services company from the institutional equity department of which he was the head. Mr Richard Harrison and Mr James Johnston have been appointed joint managers of the merged institutional equity and gilt edged departments and Ms Diana Darlington and Mr Graham Lewinstein will head the corporate finance department.

★

Mr Charles E. Frappell will be retiring as a partner on August 10 but will remain an associate of W. GREENWELL & CO, stockbrokers.

ECONOMIC DIARY

TOMORROW: Foreign Secretary Sir Geoffrey Howe visits Peking for talks on Hong Kong.

MONDAY: Judgment due in Messenger Group Newspapers damages claim against NGA, High Court, Manchester.

TUESDAY: CBI Industrial Trends Survey (July). New vehicle registrations (June). Howe leaves for Hong Kong.

WEDNESDAY: UK balance of payments—overseas earnings of the City (1983). Advance energy statistics (June). Government appeals against GCHQ ruling, Court of Appeal, London.

THURSDAY: Housing starts and completions (June). Capital issues and redemptions (during July). UK official reserves (July). Unemployment and unfilled vacancies (July-prov). Mr Ken Livingstone and three others resign GLC seats to fight by-elections.

FRIDAY: Overseas travel and tourism (May). Car and commercial vehicle production (June —final).

THE WEEK IN THE MARKETS

Bids provide the action

LONDON

ONLOOKER

Apart from the oil sector stock market dealers might just as well have packed up and made it a long weekend yesterday. It was typical of the week. As always at this time of year the stock market goes into its silly season but this time round investors are fighting shy of equities more than usual.

In terms of dividend yield and corporate profit trends, equities may look historically cheap but the shadow cast by U.S. interest rates is long indeed. There are vague signs that the size of the U.S. deficit might just start to be taken seriously by politicians in the Presidential election and perhaps dollar rates are close to the peak—though it would be a brave person who argued that the next movement would be down rather than up.

If U.S. rates do begin to come back and the U.S. bond market firms, gilts here will follow suit and equities could start to retrace their steps into some high ground again. "If" in this context is a big word and anyway that scenario does not embrace any near term movements. It looks as if it could be a very long and dull summer indeed—assuming, that is, you are not on the receiving end of a bid.

STC dials ICL

Bid fever has hit London this summer. British Aerospace is still awaiting the drawn-out deliberations of GEC and Phoenix is locked in battle with Sun Alliance to retain its independence. And this week the first shots in two other major takeover battles were fired. Tate & Lyle has launched a £300m equity and cash offer for Brooke Bond and Standard Telephones and Cables has dropped a £360m bombshell on ICL.

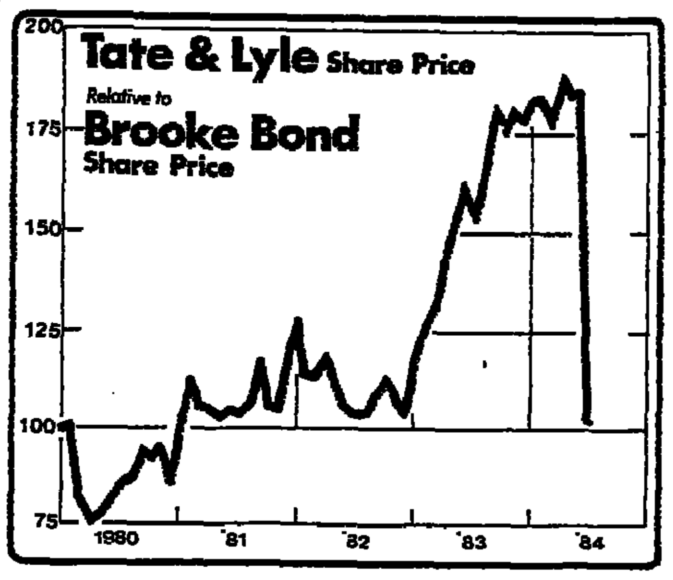
STC's bid—two of its shares for every seven ICL—was launched after a dawn raid which netted the telecommunications and electronics group nearly 10 per cent of the computer manufacturer's equity.

The approach surprised the City and immediately drew critical parallels with Thorn EMI's takeover of Inmos where investors are still struggling to come to terms with Thorn's perceived logic. A combination of STC and ICL does not appear as an obvious marriage of technologies. But evidently the move is part of STC's strategy to become a broadly-based supplier of electrical systems. Certainly a merger would shoot STC up the European league table of electronics companies.

The bidder has identified office electronics and data processing as a long term growth area but there is a degree of urgency in its need to expand its base. STC is no longer involved in System X for British Telecom and while nobody doubts the profitability of the £600m contract to continue supplying the older TXE-4 exchanges it is likely to be over by 1987. So it must be thinking about the future very hard. The acquisition of ITT's electronics business and the purchase of International Aeradio have been part of the process of building the desired base—and now ICL.

Yet there are doubts over STC's latest choice. Admittedly the management of ICL has done a treemndous job in pulling the group back into profits after the dark days of 1981 when the Government had to bale out the group with £200m of loan guarantees. But ICL's cost base still looks uncomfortably high given its turnover and while it may enjoy the tag of Britain's largest computer manufacturer in worldwide terms ICL is a long way from being a major force. And the question of how ICL's management would react if they found themselves running just another arm of STC (albeit a significant limb) remains unanswered. Also, how might a deal affect the relationship with important commercial partners such as Fujitsu?

No doubt the Government is quietly pleased at seeing a bidder emerge as it has been quietly looking for a major UK group to take an equity stake in ICL for some time. Institutional shareholders might be equally pleased to accept a bid if the price is right—and an exit p/e of around 9½ looks fair enough. The ICL defence will have to look good.



Selling Jaguar

As Jaguar purrs down the road towards privatisation the Government has done its utmost to clear the way of any nasty potholes that might upset the offer for sale. A repeat of the farce that greeted the arrival of Enterprise Oil is the last thing the authorities want, especially with British Telecom heading towards the market in the autumn.

And so Jaguar is being offered to the private sector with a fixed price offer for sale at 165p a share valuing the whole at £297m. It is straightforward, no difficult tenders to confuse individuals, and at first glance the price looks like a bargain. In the last two years Jaguar has roared back from losses to profits of £50m and it looks quite able to make £80m or so this year. Assuming a 35 per cent tax rate that drops the prospective earnings multiple at the offer price to under 6. Surely that should whet the appetite of the stags.

That said, beyond the immediate prospects for the issue, there must be some reservations about Jaguar's ability to keep pleasing the market. The dollar exchange rate will always feature large in Jaguar's fortunes and, no matter how good the product, the company is still largely a one product company—and a new one at that. Investors have not always found such propositions particularly fruitful in the long run.

Mr Cube for a cuppa

It looks as if Tate and Lyle has come full circle in its search for a stable mate. The quest for a suitable acquisition has taken its corporate number crunchers across the Atlantic but they came to the conclusion that anything Mr Cube could really afford was probably not worth having. Continental Europe was also ruled out. And so when Tate sprung its £300m bid on Brooke Bond this week it was to a certain extent retracing its steps, although Mr Cube had never actually got around to bidding before.

There is no obvious overlap of activities and Tate's ambition seems clear cut—the creation of a large international food group, a morsel too large to be easily swallowed. It is hard to resist the feeling that the bid for Brooke Bond has more than a passing eye towards self-defence. Both companies are heavily dependent upon a single commodity product, neither of which could remotely be described as enjoying long term growth markets. Together they may have a brighter future as a more widely based group and better placed to withstand the increasing buying powers of the retailers. Not surprisingly the customer base of one (least ways in the UK) is a near carbon copy of the other.

Tate may well be nervously glancing over its own shoulder, aware of its own vulnerability to a predator. Still, on a more positive note, Brooke Bond—encompassing Fray Bentos products, the famous Oxo cube and coffee as well as the all-important tea business—is a highly efficient business while Tate's management has recently shown its ability to use the surgeon's knife with a degree of skill. Tate has already laid the ground to dispose of parts of Brooke Bond if its bid is successful. The Mallinson Denny timber business (not one of Brooke Bond's clever acquisitions) could go, as could the Baxters butchers chain. Together those departures might recover £100m or so of the cash element within the offer.

Brooke Bond's plantations operations could also have a limited future within an enlarged group. Plantations at the moment could be contributing over a third of the tea group's profits — the tea price now is almost double what it was a year ago. But the quality of plantation profits is doubtful and earnings are presently at a cyclical peak anyway.

Which raises the question of Tate's timing. It is going for Brooke Bond at a time when both tea prices and the timber cycle are working to swell profits from under £50m to something over £70m. Tate itself might be hard pushed to earn much more than that in its year to September.

Halfway for ICI

It is touch and go whether ICI can make the magical number of a £1bn pre-tax profit this year. The group is halfway there both in terms of calendar months and profits but it is beginning to look as if the final figures will fall some way short of the £1bn target.

For the first six months profits are up by £234m to £532m. The breakdown in the interim report shows every division heading the right way and in particular the petrochemicals operation showed a substantial recovery with a £93m turnaround into the black.

Yet the second quarter is traditionally the strongest period of the year, even though ICI this year had the German engineering strike to contend with. The usual third quarter downturn in European activity may be partially offset this time as manufacturers attempt to recover from that German labour dispute, but even so the top of the chemical cycle may now be behind us.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Ind. Ord. Index	776.4	+ 0.2	922.8	755.3	Brighter interest rate outlook
BP	428	−22	540	395	Weak crude oil prices
Brooke Bond	110	+33	111	67	Bid from Tate & Lyle
Bulmer (H.P.)	157	+20	233	137	Firm cider making sector
Bunzl	258	+23	271½	195	Wood Mackenzie circular
Charter Cons.	230	−18	262	190	Pft.-tkg. after recent strength
De Brett (Andre)	12	− 9	46	12	Loss and final div. omission
Espley Trust	35	+ 5	97	28	Recovery hopes
Fleet Hldgs.	177	+13	197	135	Rumours of Lonrho interest
Gripperrods	190	+23	212	135	Speculative support
ICL	81	+26	85	50	Bid from STC
Initial	431	−45	509	363	BET bid referred to Mon. Comm.
Leech (William)	111	−34	160	70	C. H. Beazer bid lapsed
London Pavilion	£22½	+ 6½	£22½	£11	Kennedy Brookes agreed bid
Munford & White	117	+37	230	67	Tentative bid approaches
NMW Computers	300	+40	330	197	ACT acquires 6.16% stake
RHM	84	+ 5	99	73	Revived speculative demand
Shell Transport	550	−57	704	538	Weak crude oil prices
Standard Tel. & Cables	266	−40	372	264	After bid for ICL
Tate & Lyle	322	−10	437	308	Offer for Brooke Bond

Signals remain obscure

NEW YORK

TERRY DODSWORTH

WALL STREET never tires of abusing Washington for innumerable supposed inadequacies, but this was one of those weeks when the slightest whisper from the U.S. capital reverberated around the markets in hi-fi.

The first focus of attention was the large, courtly figure of Mr Paul Volcker, chairman of the Federal Reserve Board, who ambled into Congressional hearings on Wednesday with the reassuring news that he saw no reason to tighten monetary policy for the moment. Having prepared itself for the bearish probability of a more restrictive policy for several weeks, Wall Street marched out to buy, pushing both bonds and equities sharply higher.

Only 24 hours later, the bank regulators moved at last to try to dispel yet another cloud hanging over the markets. For weeks, Wall Street had apprehensively watched the slide of confidence at the Continental Illinois Bank. On Thursday, Mr William Isaac, the top bank regulator, stepped to the rostrum to announce a skilful package designed to give a permanent solution to the problems of the U.S.'s eighth largest bank.

Whether the relief over either of these events will last is another matter. Even if the Continental plan works, the U.S. banking system will remain under suspicion until the Third World debt problems look more manageable. And interest rates remain exposed to dangers of all kinds, as Mr Volcker tries to steer a middle course, on the one hand aiming not to exacerbate the Third World problems (and, therefore, the banks') by forcing rates up, while on the other not relaxing his grip on inflationary pressures.

Even so, the easing of long-term rates that has been seen over the last week or so—the 30-year Treasury bond, for instance, has dropped back to well under 13 per cent from almost 14 per cent at the peak about a month ago—is one of the preconditions most analysts have been looking for in their search for the elusive summer rally. At the same time, Mr Volcker was quite categoric over the Fed's view that growth is beginning to slacken. So he left the impression that there were good reasons for a stabilisation in rates at present.

The possibility of a significant slowdown in the rate of growth, vainly forecast by Wall Street for the last eight months, is also receiving some support from the second quarter figures that continued to roll in this week.

The message remains somewhat ambiguous—the car companies, for example, are continuing to enjoy the most buoyant marketing conditions since 1979, underlined by Ford's record $909m profit figures showing a 68 per cent jump in the second quarter. On the other hand, everything the steel companies have been saying points to tougher conditions just around the corner.

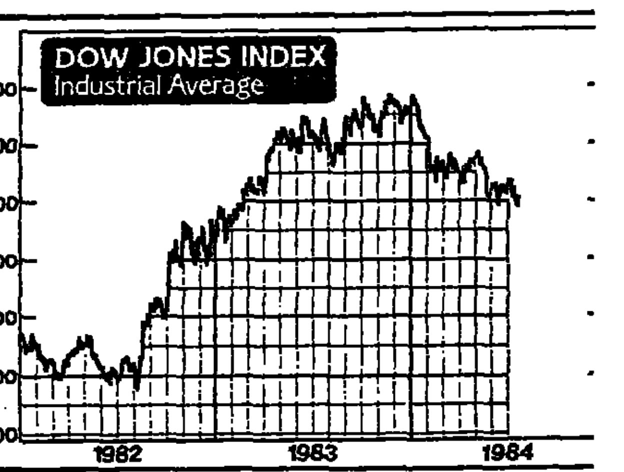
Bethlehem Steel, the second largest U.S. producer, said this week, for instance, that it may be barely profitable in the third quarter. True, it blamed some of this on imports, which, despite some trade restrictions, are still pouring into the U.S. and depressing prices. But, like the other steel companies that have reported so far, it talked ominously of a softening of the market in the current three months, particularly in the construction steels which are Bethlehem's speciality.

Even in the boom conditions of the second quarter, the steel companies have been giving only a modest performance, all the more alarming after the enormous cost-cutting of the last two years. Bethlehem, which wrote off around $1bn some 18 months ago, generated earnings of a modest $24m, an extremely sharp recovery, admittedly, after the $71m loss last year, but o[...] a meagre return on equity, [...] a 1.6 per cent margin on sa[...]

Will Street's broad view [...] the second quarter seems [...] be turning out as relati[...] neutral. The market has b[...] looking too far forward to t[...] much cheer from any of [...] better results that have c[...] in, or the indications that n[...] nal profits may be around [...] per cent ahead of last yea[...]

Some brokerage houses, h[...]ever, remain quite bull[...] Merrill Lynch, battered it[...] by a heavy $33m loss in [...] second quarter, argues t[...] institutional cash positions [...] now so high that the f[...] managers will be forced b[...] into the market, and [...] brokerage house is thus adv[...]ing a move out of consu[...] cyclical companies and [...] aerospace, foods, drug sto[...] tobaccos, publishing and [...]glomerates.

Salomon agrees with Mer[...] contending that the quality [...] corporate earnings, after adj[...]ing for stock profits and o[...] depreciation, has risen to s[...] a degree this year that [...] market should be pushed [...] over time. The record-break[...] pace of merger and acquisi[...] activity, it says, combined [...] sharp increases in corpo[...] share repurchases, corrobor[...] the view that stocks are ch[...] On this basis, Salomon beli[...] that the market could move [...] to a prospective price-earni[...] ratio of around 10.5 from [...] present 8.5.



Monday	1096.62	− 4.
Tuesday	1086.57	−10.
Wednesday	1096.95	+10.
Thursday	1107.55	+10.

UK CONVERTIBLE STOCK 28/7/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates‡	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div‖	Cheap (+) Dear (−)◊ Current
British Land 12pc Cv 2002	9.60	377.00	333.3	80-87	3.2		−4.2	− 7 to −2	27.9	30.5	0.7	− 4.8
Hanson Trust 9½pc Cv 01-06	81.54	305.50	160.7	85-01	3.2		−5.9	− 9 to 2	165.3	73.5	−28.3	−22.4
Slough Estates 10pc Cv 87-90	5.03	270.50	234.4	78-85	3.7		−6.2	−11 to −1	13.8	4.5	− 3.1	+ 3.0
Slough Estates 8pc Cv 91-94	24.72	116.50	97.5	80-88	6.9	5.2	−2.9	− 5 to 2	22.3	22.7	0.3	+ 3.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ‖ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ≠ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

FINANCE AND THE FAMILY

Building on a kitchen garden

The boundary between my garden and my neighbour's field is marked by the undisputed line of a row of stumps of mature trees cut down some years ago. The fence that belongs to him is sited on his side of the line within on average five inches of their leading edges. Because the stumps are not symmetrical, the range is from coincidence with the centre of the stump to a max of 18 inches. The fence therefore appears in the form of a best fit straight line. The fence was erected some years before my *neighbour bought the* property, but he now claims that it is in the wrong place *and should be on my side of* the stumps that are mainly about 14 inches in diameter To re-erect the fence as a best fit straight line on my side of the stumps would involve an area of perhaps 25 yards which I am reluctant to concede without good reason, even though in the form of a very thin strip some 100 yards long!

Is it true that the actual *boundary should accurately* be described as running through the middle of the stumps? Is it of significance that the fence, although belonging to my neighbour, would in fact have to stand on my land if it were sited on my side of the stumps? finalised.

The mid-line of the stumps is most likely to be the true boundary line. If so, your neighbour could remove his fence, but he could not insist on fencing being placed on your side of the *stumps* to replace it. Perhaps a link fence between the stumps themselves would be the solution.

Claim for a rebate

Under a trust established by my grandfather I was allocated a share of the proceeds following the sale of property. Tax was deducted before allocation.

In making my capital gains for the year I so arranged them that this trust capital gain *would be included* without the total exceeding the tax exemption limit of £5,000. I *therefore claimed a tax rebate* of the tax already deducted. The tax inspector now informs me that this trust gain and my tax return are separate and that I should not have included it and that no tax rebate is due to me. I therefore "lost" the amount of this trust gain which was about £1,000 from my exempt capital gain.

I fail to see the difference in principle between the gain realised by one's share in the sale of trust property and the gain realised by the sale of one's share in the capital of a company or investment trust. The inspector said that the assets concerned belonged to the trust. I would say the same about a company. In neither case is the gain being made by the outright owner. Are there regulations governing or touching upon this matter? If not, *do you think that the* claim for a rebate can be pursued successfully?

On the bare facts outlined, your tax inspector is right.

As we have consistently warned our readers—explicitly and by implication—the rules of CGT are complex and quite *arbitrary. Equity and logic have* little place in the looking-glass world of CGT.

Income or covenant?

My wife and I propose to assist my wife's retired parents with the purchase of a house. I have agreed to act as guarantor for a 15 year building society mortgage of £9,000 and my wife proposes to lend her parents £7,000 interest free for an indefinite period. We also propose to lend her parents £7,000 interest free for an indefinite period. We also propose to meet the net monthly mortgage repayments of £83.34. The income of my wife's parents basically comprises the state pension plus a small private pension of approximately £750 per annum. My salary is £15,000 per annum and my wife's only income will be £250 per annum from building society investment.

Would a deed of covenant executed by my wife in favour of her parents in order to meet the net monthly mortgage repayments be effective for *income tax purposes in view of* the shortfall of my wife's income (therefore to be *supplemented from my* earnings?). Would it be better for my wife and I to execute a joint deed or would this be prejudiced by the guarantee I am required to give?

How will the income of my parents-in-law be calculated for the purposes of age allowance? Is the grossed up amount of building society interest paid under Miras deductible from their income (including the gross income from the covenant?) My father-in-law may take on part-time work and would like to know what amount he could earn before becoming liable to income tax. How will entitlement to rates rebates be affected by the building society mortgage, payments under deed of covenant and part-time earnings?

Since you will need the services of a solicitor in preparing a deed of covenant, as well as in the house purchase, guarantee etc., you can seek his or her guidance through the tax pitfalls at the same time.

On the bare facts, we do not recommend that your wife covenant to pay more than her actual interest from the building society. We do not recommend a joint covenant either, as a general principle.

A point to watch out for is that a covenanted annuity to a *couple vulnerable to age-allowance* clawback can cost the payer more than the net benefit to the payee. So make sure that you give your solicitor as precise an estimate of your parents-in-law's prospective income and mortgage interest payments as possible.

A twist to a gift

I think that the answer to *one of last wek's enquiries* "An unexpected gift" may have been based on equity *and logic but that, in fact,* the law is different. Am I right?

You are correct — unless the *reader is lucky enough to have* a tax inspector whose sense of natural justice overrides his or her regard for the letter of the law. The Schedule D case III assessment will be made upon the full amount of the deposit interest and there will be no relief for the overdraft interest. The authority for this penal tax levy is section 120 (1) of the Income and Corporation Taxes Act in conjunction with section 75(1A) of the Finance Act 1972 as amended. The result could well be that the reader ends up worse off than if he had left the money in his current account — an unexpected twist to a gift.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

MINING

As they were saying . . .

BY KENNETH MARSTON

"ANY MORE gems of wisdom for me today, Hymie?" asked the stockbroker with a chuckle as he took the club chair beside his friend the jeweller.

"Those gems I don't have today, but I'll buy you a gin and tonic, James," answered the jeweller. A fortnight ago he had surprised the stockbroker by pointing out that contrary to the general impression the price of gold had not fallen out of bed this year.

Certainly it had come down in terms of the U.S. dollar price, but because of the continued strength of the dollar, the gold price when converted into other currencies had fallen very little. And this was not helping his UK business.

What puzzled him was that the prices of some other metals, copper and silver in particular, had fallen from the levels of a year ago in terms of all currencies.

"Tell me," he asked the stockbroker, "how it is that almost every day, for months now, I read that the U.S. economy is not just recovering but booming already and yet nobody seems to want things like copper, silver, coal and steel."

"Oh, but they do!" replied the stockbroker. "Why only this week the chairman of Asarco said that so far this year sales of the company's copper and silver have been higher than last year's healthy levels."

The jeweller, who had a few shares in the big U.S. company, retorted: "So Asarco is doing good business saleswise, but it comes out with a first-half 1984 loss of $59.7m. I know that this was after a special tax bill of $38m, but it *still does not* make sense against a profit of $43.7m in the first half of last *year.*"

"Hymie," answered the stockbroker patiently, "the metal *prices are lower than a year* ago and the reason is simply that despite improved demand there is still too much of the stuff about.

"You see, in the 1970s the mining industry geared itself up to meet a big growth in demand for metals in the 1980s and that hope hasn't been fulfilled, largely, I suspect, because of the disappointing progress of the Third World countries.

"So there is still too much production capacity, especially *in copper,*" he added.

"And it seemed to me," said the jeweller, thoughtfully, "that *after having* had to close down all its copper mines and smelters in 1982 Phelps Dodge was a good U.S. recovery prospect."

"Did you see their half-year *results this week?*" asked the stockbroker.

"Don't tell me," said the jeweller.

"A loss of $28.1m and that after a credit of $25m from the favourable settlement of a legal action," persisted the stockbroker, "which goes against a loss of $3.6m a year ago."

"It's your round," said the jeweller wearily. "I need something to cheer me up."

"Things aren't all that bad," said the stockbroker, eyeing the glum face of his friend. "The world economy recovery, which has been concentrated on consumer goods, *is now gradually* spreading into heavy industry and that is showing up in the improving demand for metals.

"Eventually it should make its mark on prices and, in fact, lead and zinc, to name but two, have been doing well. The chairman of Canada's Cominco has said this week that the outlook for these *two metals* continues to be optimistic although he did admit that the strength *of the U.S. dollar* was making them expensive to buy for non-U.S. consumers."

"*It's also helping earnings* of the mines outside the U.S.," said the jeweller more cheerfully. "And, I suppose," he continued, "those mines which can hold down costs and increase sales can still do well."

"Like Rio Tinto-Zinc's Australian Hamersley Holdings," said the stockbroker. "Just reported a near 14 per cent increase in first half profits from higher iron ore sales to *Japan despite a 12 per cent* cut in contract prices."

Warming to his theme, he continued: "And look at *RTZ's* Canadian Rio Algom which has made C$37.2m in the half-year against C$24.1m last time by selling more uranium—which is a buyers' market if ever there was one—and turning its steel subsidiary from loss to a small profit."

"Maybe I should buy some RTZ?" asked the jeweller.

"Maybe I should buy some glancing at his watch.

"Meanwhile," said the jeweller brightening, "I have a little research to do for tomorrow."

"Tomorrow?"

"De Beers' Diamond Day at Ascot. What else?"

"I'll see you there."

"In the champagne bar," said the jeweller adding, happily, "even if it is my turn to buy the drinks."

● Stockbrokers James Capel believe that base metal prices "are so low in real terms that they have already discounted lower levels of growth than we have seen in the past." They feel that shares of the *producing companies have* been friendless for long enough.

So do stockbrokers Buckmaster and Moore. Although uncertainty is still rife: "We are, however, more optimistic for the (mining) sector than we have been for some time. At current share prices, real value is starting to appear again and the mining market as a whole appears to be oversold.

UNLISTED SECS. MARKET

Synterials seeks partner

BY WILLIAM DAWKINS

WANTED: one injection moulding company to suit a Dutch-based inventor looking for a home in the UK.

The inventor in question is Synterials, one of the most exotic of the USM high-technology stocks, which has developed a process for making reinforced plastic-based synthetic materials for specialist engineering uses and is now looking for a way to turn its ideas into full-scale *production.*

Synterials created a splash when it joined the USM last December to raise £20m, the greatest ever single sum raised on the unlisted market. Its announcement last week that it is on the takover trail came with the group's first set of results, showing a *£360,000 pre-tax* loss on turnover of £37,000 for the 13 weeks to the end of March.

The loss was par for the course for a start-up venture which has been in the red since its foundation four years ago. But sales were considerably lower than implied in the issue prospectus, which had indicated that up to £10m in production orders could be placed in the current year.

As a result, the shares dropped 5p to 40p, valuing the group at £10m, against its £25m capitalisation at the 100p offer for sale price. That steep decline is partly a reflection of investors' general distaste for greenfield ventures.

Like many start-up companies attempting to make the transition into commercial production, Synterials has also encountered its own unforeseen *problems.*

At first, its ability to create materials to suit customers' individual needs by bonding reinforcing or cost-saving ingredients into thermoset resins seemed to strike an enthusiastic chord among innovative electronics companies like RCA and Plessey Radar.

But test marketing threw up a number of technical hitches and some orders were cancelled or deferred. Furthermore, Synterials' Terborg plant found it hard to keep pace with those orders which did materialise because its prototype injection moulding machines were simply not geared to full-scale production.

In an unsuccessful attempt to get production moving, the group built up staff numbers from 77 at the turn of the year *to around 135,* and is now forced to look for redundancies. As a measure of its increased costs, *net cash balances* have fallen from around £16m after the offer for sale to less than £15.5m.

For the year to September—which will include 9½ months' trading—the City is expecting Synterials to lose £1.5m before tax on sales *of* £900,000, with a reduced loss in the following year.

In the meantime, the company is hoping to spend some of its cash on buying a manufacturing base in the UK, where wages are lower than in the Netherlands and where Synterials will be closer to its important U.S. customers. The ideal candidate would be a specialist in reinforced reaction injection moulding (RRIM), on to which Synterials could bolt its own technology.

RRIM involves injecting two liquids into a cavity mould, along with reinforcing materials like carbon fibres, so that they react to form a solid object.

Brotchie is giving nothing away about potential bedfellows. But the group has recently taken an 8 per cent stake in USM-quoted Holden Hydroman, which uses the RRIM process in the car industry.

With a current market value of £4.6m, Holden Hydroman would be well within Synterials' reach. One major stumbling block is the 65 per cent of Holden Hydroman's shares in the hands of its founder, Bill Holden. The most Brotchie is saying is that "*it's a good* investment."

Brokers cash in on risks

THE USM's fledgling insurance broking sector is outperforming *the market* and looks ripe for expansion, according to a survey released last week by the stockbrokers Grieveson Grant.

During the past six months, three Lloyd's brokers—Derek Bryant, Dewey Warren and Steel Burrill Jones—have joined the junior stockmarket. The USM's less burdensome fin*ancial reporting requirements* and the fact that a large proportion of the equity may be retained by the management means that an increasing number of Lloyd's 266 brokers are likely to follow their example, argues Grieveson's Miss Loesje Hubar.

She points out in what is to be the first in a series of publications to plot the progress of this little researched USM sector that the trio's share prices have on average risen by 17 per cent in the two months since Steel Burrill Jones—the largest in the group, with an end-of-June markt value of £14.5m—joined the USM.

By comparison, the index for fully listed *insurance brokers* has risen by only 6 per cent over the same period, while the *FTA All Share Index* has fallen by 10 per cent.

Steel Burrill Jones has been *the outperformer* of recent months, with its shares rising from an early May placing price of 110p to 173p, falling back to 153p by the end of June, a net advance of 40 per cent.

Although the trio conduct very different classes of business, they have one quality in common, says Miss Hubar. More than 80 per cent of their brokerage is dollar denominated. This is a far higher proportion than for most *fully-listed brokers,* and should make them prime beneficiaries of the dollar's strength.

USM insurance brokers are also notable *for* having exploited specialist niches in the U.S., such as Derek Bryant in *the American trucking industry.*

Dewey Warren has made its name from handling unusual risks in excess and surplus lines, while Steel Burrill Jones is a specialist in excess of loss marine reinsurance, where rates have been driven up recently by the Gulf War.

Even if the dollar should start to weaken, as it did last week, Miss Hubar argues that the USM broker's specialist expertise, the upturn in the insurance industry, and a reduction in their formerly high tax bills following the budget changes in corporation tax, indicates that they should continue to out*perform the market.*

W.D.

YOUR SAVINGS AND INVESTMENTS

GOLD

What the charts say of the slump

FORECASTING the gold price might seem as likely to succeed as divining water with a forked stick.

Nevertheless, it attracts the interest of chart analysts, the practitioners of a particular kind of market magic. Their work is especially relevant at a time when gold has plunged through the level of $350 an ounce for the first time since 1982, after a period of comparative stability.

One approach to making predictions is to look at anything and everything which inuences the supply and demand for gold, from strikes in the mines to a financial crisis.

Chartists look at things differently. Instead of casting far and wide for explanations they focus narrowly on the market and study every movement in the price. The theory is that buyers and sellers of gold are already aware of everything that can influence the market. Since the actions of these buyers and sellers determine the current price, the trick is to interpret from price movements what these operators will do

Chart analysts believe they can identify major trends, up or down, in price movements when you should buy or sell. The art is to follow the trends and spot the turning points at which they change direction. It is a mixture of mathematics, experience and intuition.

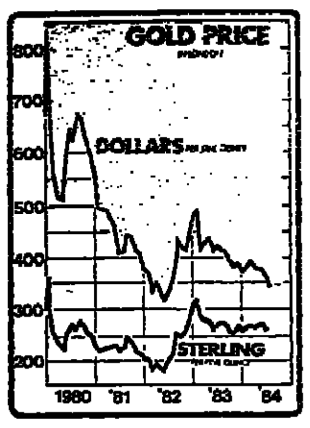
Almost anything can be studied in this way from currencies and interest rates to shares in Associated Fisheries. But gold is particularly suitable, say the chartists, because it is traded in a highly developed market which operates 24 hours a day.

Critics argue that it is impossible to predict markets in this way since they are influenced by too many external factors. Moreover, it is one thing to forecast an event, say gold hitting $400 an oz, and quite another to say when this will happen. For the investor the question of timing can be the crucial difference between profit and loss.

What then are the forecasts for gold from the City's chartists?

Richard Lake, partner with stockbrokers Raphael, Zorn, says the gold price has broken out of its trading range of the last nine months of $405 to $365 an ounce. "After trading around $340 to $350, I still expect to see $300 in the near future," he says, but is unable to predict exactly when that might be. He suggested it could be in the summer or in the autumn.

Bronwen Wood, of brokers Rowe and Pitman agrees that the fall below $365 was serious. "Gold has found support at $335. But if it falls below that it could fall to $300 and it might not be too long before it does that."



Alison Gill, analyst with Chart Analysis, is less specific. "We may see a few more rallies," she says. However, in the next month gold could go "sideways or lower if the rally breaks down." It will not fall immediately below $300.

If these forecasts are too vague then Brian Marber, who runs a chart forecasting company bearing his name, offers a more specific forecast. He predicts that since gold has fallen below $338.50 the risks of it going down to $300 have increased.

But if the price rises above $345 then "the downside risk would be aborted."

He does not advise investors to buy gold unless it goes above $350. "I am open-minded about whether that will happen or not."

Stefan Wagstyl

BUILDING SOCIETIES

The best of the boom

HIGHER MORTGAGES are bad news for home-buyers, but good news for savers. For the first time, the largest building societies broke ranks last week and announced different mortgage rates.

The Government's Green Paper, announced on Monday, will, if passed, only intensify the competition. And as societies compete for savers' funds, the investor can look forward to higher returns.

Abbey National announced the highest mortgage rate overall last week and is expected to lead the field on the savings side. But so far, the group's most daring move has been to improve its chequing account which, as of August 1, will pay 6.5 per cent net of tax (9.3 gross) on balances up to £2,500 and 8.75 per cent (12.5 gross) on balances over £2,500. Several money market bank accounts are offering similar immediate access accounts at a rate of 7.7 per cent (11.0 gross) on balances of £2,000 and up.

Alliance is expected at least to match Abbey's rates, and has already announced a rate of 7.75 per cent on balances up to £2,500 as of August 1. The society's account is linked with the Bank of Scotland to offer free banking services.

The investor needs £500 to open the account, of which £350 is immediately transferred to the Bank of Scotland and put into a current account. If the bank account falls below the minimum balance of £100, funds are automatically transferred from the Alliance account to bring the balance up to £350.

Bristol and West is offering a similar account with Standard Chartered Bank, although Bristol does not issue its own cheques. The Bristol arrangement, however, automatically transfers money from the Bank account into the Bristol account if the balance in the bank account exceeds £300 by a minimum of £25.

This has the advantage of automatically sweeping your money into the interest-bearing account.

Investors are choosing higher interest accounts over ordinary share accounts more than ever before. But large societies have not yet improved their premiums over the BSA-advised ordinary share rate, which now stands at 7.75 per cent.

They may do so after measuring the inflow of funds and any loss to National Savings during the coming weeks. In the meantime, however, the best buys for investors are still to be found among the small societies, some of which have already increased their premiums.

For example, whereas the largest societies offer seven-day notice accounts at 8.75 per cent, you can get a better buy from smaller societies such as Citizens Regency which offers a seven-day account at 9.2 per cent on a minimum balance of only £500.

Greenwich Building Society offers 9.25 per cent on balances over £10,000. Banks are far behind in what they offer; most pay 6.125 per cent (8.75 gross), although Barclays rate is a bit higher at 6.3 per cent (9.0 gross).

Teachers' Building Society has recently announced a very attractive offer of 9.65 per cent on a minimum balance of £3,000, with no notice required and no penalty on withdrawal. Skipton's Sovereign Share Account offers 9.25 per cent on balances of at least £10,000 with immediate access without penalty. For larger balances, both offers are better than the ever-popular Cheltenham and Gloucester Gold Account which pays 9.0 per cent as of August 1, on balances of £1,000 or more.

On 28-day notice accounts, the largest societies are offering 9.0 per cent. Yet Lambeth Building Society offers 9.65 per cent on a minimum balance of £500, although you do not earn interest during the compulsory one-month notice period, making the real rate lower for anyone wanting to withdraw.

Bolton has announced a rate of 9.60 per cent on a minimum balance of £1,000 without this restriction. Paddington offers 9.25 per cent on a balance of £500 and gives immediate access with one month's interest loss.

If you maintain a balance of £5,000, you gain immediate access without penalty. This arrangement is becoming more common with societies, although the minimum is usually £10,000.

On 90-day notice accounts, the largest building societies only offer 9.25 per cent, while at Bolton, for example, you can get 9.8 per cent on balances of £2,000 and over. The Bolton account offers immediate access with a 90-day interest loss.

Property Owners is currently offering 8.25 per cent which will be going up to 9.75 per cent on August 15. However, the issue will be closing to new investments on that day so you had better move quickly.

Some smaller societies offer attractive rates on month notice accounts. Guar has set its rate at 9.75 balances of £1,000 and up. If you maintain a mini balance of £10,000 you immediate access wi penalty.

Hendon has also annou a new six-month account w pays 9.65 per cent on bala of at least £2,000.

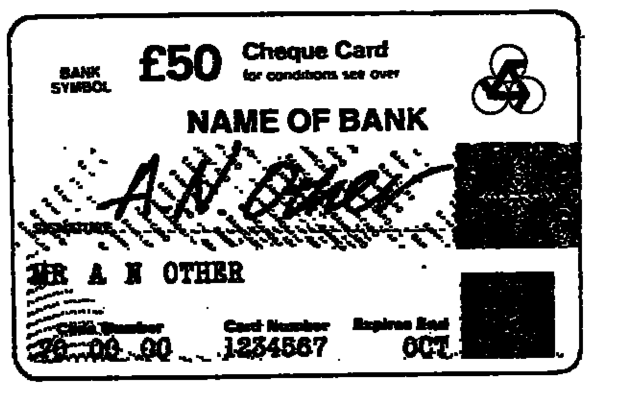
These figures were com with the assistance of Inte tion Presentation of Dorl Surrey, and Building Soc Choice of Bury St Edmunds

Jeanne R

THE BEST BUILDING SOCIETY OFFERS (as at August 1)

Society	Rate	Notice required	Minimum balance
Teachers'	9.65	None	£3,000
Skipton	9.25	None	£10,000
Cheltenham & Gloucester	9.0	None	£1,000
Alliance Chequing Account	7.75	None	£500-£2,499
	8.25	None	£2,500-£9,999
	8.75	None	£10,000 and over
Abbey National	6.5	None	£100-£2,499
Chequing Account	8.75	None	£2,500 and over
Bristol & West Chequing Account	7.75	None	£100
Town & Country Chequing Account	7.75	None	£250
Citizens Regency	9.2	7 days	£500
Greenwich	9.0	7 days	£5,000-£10,000
	9.25	7 days	over £10,000
Town & Country	9.0	7 days	£500
Harrow	9.0	7 days	£500
Lambeth	9.65	28 days	£500
Bolton	9.6	1 month	£1,000
Paddington	9.25	1 month	£500
Bolton	9.8	3 months	£2,000
Property Owners*	9.75	3 months	£500
Guardian	9.75	6 months	£1,000
Hendon	9.65	6 months	£2,000
Property Owners*	9.6	6 months	£500

* Rate not effective until 15 August



High-tech cheque

MARGARET HUGHES on the new cheque guarantee cards

THERE HAS been much talk in the banking world this week of holograms, fluorescent and even intaglio printing, watermark magnets and hidden graphics. What all these new-fangled devices amount to is a new cheque guarantee card.

Banks are losing more and more money from fraudulent use of cheque guarantee cards. These are the joint cards issued by 20 banks in the UK which guarantee the value of cheques of up to £50 used to either withdraw money from a bank or buy goods.

Last year they lost £20m, which is £4m more than was lost through credit card frauds, and the level has continued to rise this year. So the banks, after many years pondering different approaches, have finally come up with a new card with numerous mysteriously-named security features which they hope will substantially reduce the level of fraud.

They will start introducing the new card in October of this year but it will take them until December 1985 to replace all the existing cards in use. Until then the old-style card will continue to be accepted by banks and retailers.

That is why when launching the new card this week the Bank Cheque Card Committee (BCCC) was not too keen to talk about the ways in which the existing card can be forged. What they did do was to point out some of the additional security features of the new card.

These include a deeper signature panel of absorbent paper, instead of the customary plastic, with a background printed in security inks which makes it more difficult to tamper with. Alongside the signature is an intaglio printed panel which has the same feel as a bank note if you run your nail (not your finger, as the banks claim) over it and which includes a latent image which can only be seen from a certain angle.

The aim of the panel is to make the genuine card more easily identifiable, especially by the retailers' sales staff, where most of the forged cards are passed. So too is the thin silver "hologram" below.

This device, which is already being incorporated in Access and Visa credit cards produces different three-dimensional images depending on which way you wiggle it around. On the cheque guarantee card the images are somewhat dull—the issuing bank's symbol, the words "bank card" and £50, representing the limit.

So far in this country the main problem is tampering and changing of signatures on cards. Counterfeit cards are much more widespread in the U.S. but banks fear they may spread here.

Relatively few blank cards are stolen in the post from the bank to the card holder. Most are stolen from pockets or handbags and, of course it is made easier if the cheque book to go with it is there too. This is why women are more susceptible victims.

It is much easier for men to carry their cards and cheque books in separate pockets, a factor which is at least acknowledged by some banks.

The bulk of the cards with either forged signatures or genuine cards with forged cheque signatures are passed through retailers.

Credit card companies have managed to contain some of their fraud by having free telephone authorisation at the retailer end while banks do not have for cheque guarantee cards. But recognising that their major problem lies with the retailer they are mounting a £1m campaign over the next few months with the emphasis on training sales staff

It is the first time that the banks have changed their standard since increasing the limit from £30 to £50 at the end of 1977. This they point out immediately doubled the level of fraud in the following year.

This is why they are not increasing the limit from the present £50 and are unlikely, it seems, to do so in the near future.

More likely is that they will guarantee two cheques for up to £50 for the same transaction.

ƳOUR SAVINGS AND INVESTMENTS

Home-made gold for the old

CLIVE WOLMAN explains how his decision tree can help the elderly unlock the capital in their homes

ɪE KING MIDAS problem is serious one for a *growing* mber of Britain's elderly *ople.*

They are surrounded by the ealth they have built up. But ey seem unable to use that pital to live off.

The most common reason is at their wealth is locked up their home. And after uggling *for years to pay off* e mortgage, an elderly couple ɪy be reluctant to give it up— d go through all the disrup- n and upset of buying, selling d moving to a smaller home, ssibly away from their friends d relatives. So there they re- in with their homes as unable make *proper* use of them as ng Midas was of his gold. And as the first generation take part in the post-war om in owner occupation ches retirement, the problem likely to become more acute. A financial *solution however* available to allow the elderly *release the wealth tied* up their homes — and yet to y living there until they die. t the number of schemes ailable offering this oppor- ity has been diminishing. Too few elderly people have preciated their advantages fficiently to make them com- rcially viable. *But* the attrac- ns of such schemes are not ited to those elderly people o are struggling below the verty line with only a state nsion to *support them.* Even ose who enjoy a moderately high pension and have *other* forms of wealth in addition to their homes may find them advantageous, for at least two reasons.

One is that *it is risky to hold* too high a proportion of your wealth in one type of asset. In the 1970s the rise in value of residential property outstripped that of almost any other sort of investment.

But over the past three years, with the effective tax subsidy to housing falling away, and the equity market *and gilt market* showing high returns, housing *has* not been an attractive in- vestment. A paper published this week by the Policy Studies Institute confirms the new trend.

The second reason that even the moderately wealthy may find it advantageous to use up the wealth embedded in their homes has to do with tax—in fact two *different* taxes.

One is Capital Transfer Tax. *If you* leave behind total assets worth more than £64,000, your estate will face a Capital Transfer Tax charge. And even a modest home, particularly if it is in the south of England, may push your estate over the tax *threshold.* when it is valued together with all your other possessions.

Capital Transfer Tax is prob- ably the most avoidable tax in the Inland Revenue's armoury. The simplest way to avoid the tax is to *start making gifts dur-* ing your lifetime, so as to make *use of the* annual and ten-yearly exemptions.

But if most of your wealth is bound up in your home, you will not find it easy to give away *small parts* of it. And even if the legend of King *Midas does not frighten* you, the fate of King Lear may *serve as a warning to those* who consider giving away the lot to their children.

Some of the schemes for un- locking the wealth in your home *have a further tax advantage.* They allow the elderly occupier to obtain tax relief on the interest payments on a mort- gage which he or she takes out. *This gives the largest* advantage to the higher-rate taxpayer.

This scheme is called a home income plan. The company grants you a mortgage on your *home of up to £30,000,* the maxi- mum on which tax relief can be obtained. This sum is then used to buy you an annuity which will assure you a regular income until your death. The interest payments on your mort- gage are taken out of the annuity payments. But the capi- tal on the mortgage is not re- paid until *you die, when your* house will normally be sold off *to pay* the debt.

You obtain full tax relief on the interest payments of your mortgage, under a special con- cession granted to the elderly. Even those *whose* income is below the tax threshold are *granted "tax relief" in the form* of a 42 per cent subsidy for their interest payments.

By contrast, only a small part of the income from an annuity is taxed as the Inland Revenue is willing to consider most of the payments as merely the return of capital.

The other type of scheme available is more radical. The amount of money you can un- lock is potentially much greater, as you actually sell your home (whilst *retaining the right to* continue living there until your *death*).

The schemes available will normally offer you about 50 per cent of the market value of *your home, although the older* you (and your spouse) are, the more money you will receive. In some versions of the scheme, you are given a lump-sum pay- ment *allowing* you to spend part on, say, a round-the-world holiday — and with the *remainder you can shop around* for an annuity. Often you will be *able* to find one offering higher rates than those which are tied to the home income plans. *You* also *have more* flexibility so that you could buy, for example, an index-linked or rising annuity.

By surrendering the equity in your house (in *contrast* to the home plans where you sacrifice none) you also surrender any benefit *from* a *rise* in house prices. But the converse is also true. You eliminate the risk that house prices will fail to keep up with inflation.

The most obvious disadvant- age of the scheme is that you *will be unable to bequeath* your home to your children or any- one else. However by living off the wealth formerly tied up in your home, you may be able to give other assets to your children and in such a way as *to avoid capital transfer tax.*

The other drawback of these schemes is probably more serious. If you are obliged to leave your home for some un- foreseen reason, perhaps because of illness or bereave- *ment, you will have* to find the money to buy or rent your new home. The purchasers of your former home may pay you only a small sum for giving up your tenancy early.

The adjacent decision-tree is designed to simplify what must by now appear to be a highly complex decision as to what scheme to choose.

E Abbey National and Ham- Provident home income *ns will from next week offer* re or less the same net in- ne, after interest deductions. til now Abbey offered much ter terms but its interest es are to be raised.

A woman aged 75 taking a *,500* mortgage on her £30,000 ne would receive net income £1,212 per year if she was a sic rate taxpayer. The *same* man with a £50,000 house and *,000 mortgage would receive* et income of £1,691.

f she fears she may die hin one or two years and s not wish to leave her *ate burdened by such a large* rtgage for so little benefit, can opt to take a lower in- ne. In return, the mortgage her estate is reduced if she s early.

COMPARISON OF SCHEMES

If the same woman took out a home reversion (sale-and- lease-back-for-life) plan with *Home Reversions* of Cardiff, a subsidiary of the Carlyle Trust, she would be offered a higher annuity. (With Home Rever- sions, there is no option of tak- ing a lump sum.) For a £30,000 house, she would receive a gross *annuity of £2,065,* or *£1,812* after basic rate tax. For a £50,000 house she would receive a net annuity of £2,990 (gross £3,400).

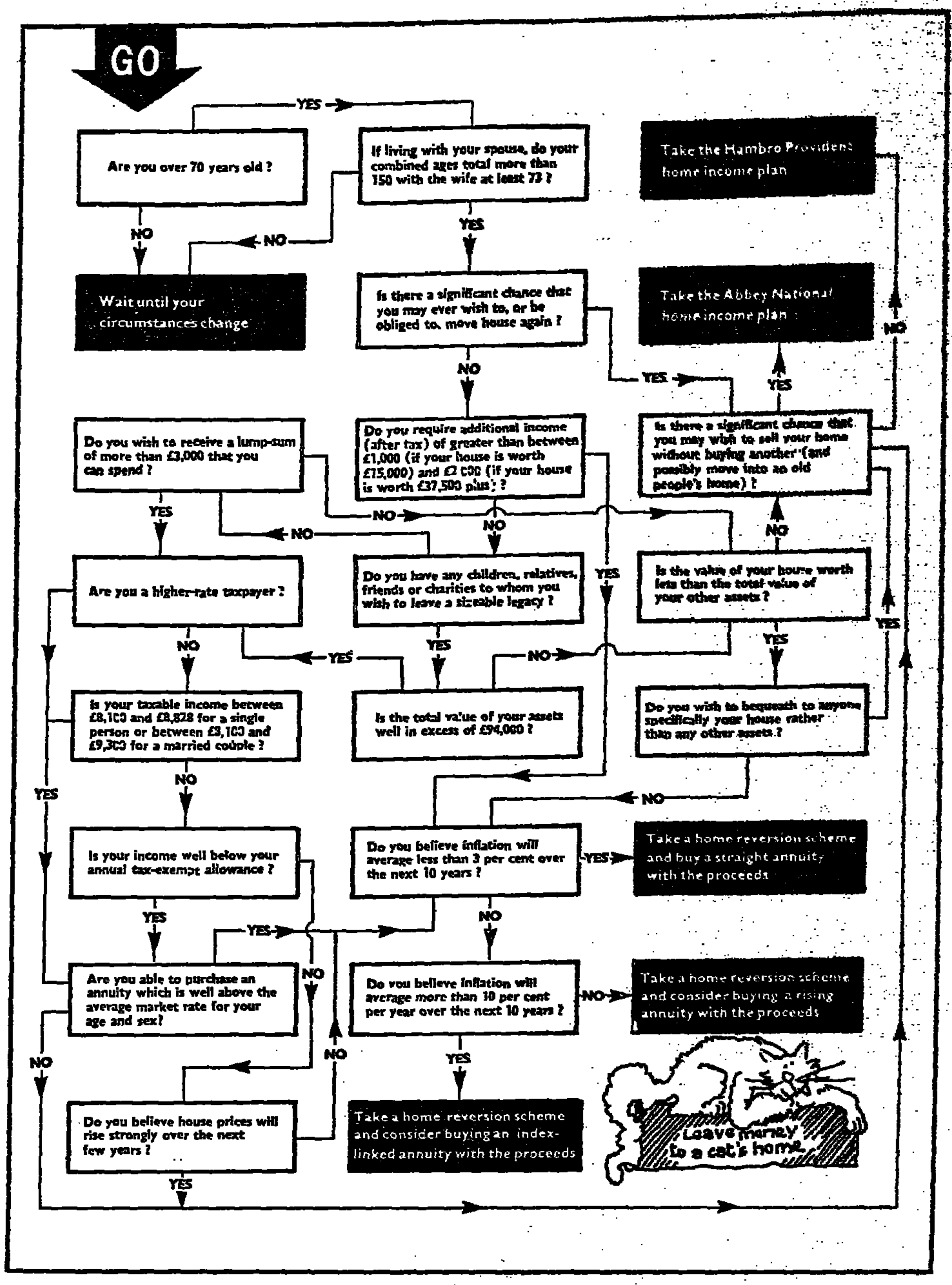
These are the chief differences between the home *income plan* offered by Abbey National building society and that of Hambro Provident:

- The Hambro Provident scheme allows you to borrow *up to 80 per cent of the value* of your house, whereas Abbey *National's maximum* is 65.
- If you sell your house and buy another, this will have no effect on your net income from the plan (after interest *payments) under the Hambro* scheme. But under the Abbey scheme you have to take out a new mortgage at the then quoted rate of interest. This may be higher or lower than your original mortgage.
- Hambro charges *a* lower interest rate and pays a lower *annuity* than Abbey. Normally this makes little or no difference. But if you have to back your mortgage early, because, for example, you want to move into an old people's home, you will be left receiv- *ing very low annuity payments.*

In the sale-and-lease-back-for- life camp, the basic division is between the Home Reversions plan, *which offers only an* annuity, and the other plans *which* pay you a lump sum. Only go for Home Reversions, if you want a fixed annuity.

Some addresses:

Abbey National, building society — details from any local branch. Hambro Provident Assurance, 9-15 Sackville Street, Piccadilly, London W1X 1DE. Tel.: 01-434 3211. Home Rever- sions, *30 Windsor Place, Cardiff* CF1 3UR. Tel.: 0222-371726. Residential Home Reversions, Gorse Lane House, Gorse Lane, High Salvation, Worthing, Sussex BN13 3BX. Tel.: 0903- 692080. Investment Property Reversions, *108 Stafford Road,* Wallington, Surrey. Tel.: 01- *669 9444.*



YOUR SAVINGS AND INVESTMENTS

PENSIONS

Baffling new world

ERIC SHORT on how the government's proposals for personal pensions may encourage unscrupulous selling

LAST WEEK the Social Services Secretary Norman Fowler, set out proposals for a system of personal pensions. Under his scheme employees would be able to opt out of both their employer's scheme and the State earnings-related scheme and set up their own personal pension arrangements—a Personal Portable Pension (PPP).

The proposals were only in skeleton form, however, with little flesh on them.

However, the proposals did cover one essential element—protecting the employee not only from high pressure pension salesmen but also from himself.

Fowler has certainly appreciated that in any system of personal pension provision, consumer protection is all important. But what the document does not spell out is how that protection is to be provided.

The Government wants views on which institutions, beyond life companies, should be permitted to sell PPPs. He is proposing that employees should have a "cooling-off period" in which they could change their minds about taking out a PPP, without incurring a financial penalty.

But on the vital subject of how PPPs should be marketed, the document is strangely silent. The statement emphasises the need for the employee to have "enough information." But what does this mean?

The problem of marketing pensions is suggested by the pensions is highlighted by the presentation of advertisements and promotions for Self-Employed Pensions.

Self-employed pension contracts which are avilable to anyone in non-pensionable employment operate on the same principle as proposed for PPPs. The contributions paid into the plan are invested and the accumulated sum at the time of retirement is used partly to pay the investor a lump sum (tax free under current legislation) and partly to provide a taxable pension.

The size of the accumulated cash, and hence the amount of the pension, depends on the size of contributions, the investment performance of the underlying funds and interest rates at the time of retirement.

The promotional literature from life companies and intermediaries for self-employed pension contracts invariably follows the same format. It gives the example of the investor paying the same annual contribution to retirement and showing the benefits in cash form. The table shows the example given in a promotional leaflet from National Westminster Insurance Services—an example selected at random.

This example is misleading in that both the contributions paid in and the benefits paid out are all quoted in pounds with no attempt made to adjust for inflation. The investor in the example is told he can expect a tax free lump sum at 65, that is 26 years hence, of £26,500.

A man intending to retire at 65, aged 39 now, and paying tax at 30% can afford to contribute £500 p.a. before tax relief . . .

HE PAYS IN . . .	£	AND HE COULD EXPECT TO RECEIVE AT 65 . . .	£
Each year	500		
and obtains relief of	150	Tax free cash	26,500
His net annual cost is	350	Gross annual pension, payable to planholder (or estate) for at least 5 years and thereafter for life of planholder	8,200
He makes 26 contributions and his total net outlay is 26 x £350, i.e.	9,100	If he survived only 10 years his total return would be 10 x £8,200 +£26,500, i.e.	108,500

How NatWest misleads the consumer

If inflation averages only 5 per cent over that period then in today's money values the lump sum is worth only £7,453. If inflation averages 10 per cent a year, its real value falls to £2,223.

This leads on to the second misconception over the assumed investment return. Unit linked pension contracts assume a conservative rate of growth in their projections and usually use three different rates of interest to illustrate the possible variations.

But traditional life companies have no hesitation in using current bonus rates in their with-profit projections. Intermediaries sell traditional with-profit plans mainly on the strength of which life company can produce the highest projection, with no concern for the ability of the company to maintain current rates.

This aspect is causing concern within the life assurance industry and the actuarial profession. Stewart Lyon, the outgoing President of the Institute of Actuaries, hit out at this current practice, which he felt was misleading in that with falling interest rates life company actuaries were considering cutting bonus rates.

His attack on current practices was considered in these columns a few weeks ago.

Since Lyons is on the committee inquiring into provision for retirement then no doubt Fowler has been made aware of these views. We wait to see whether Lyon's own life company, Legal and General, will heed his criticisms. But at the very least, warning notices should be published with advertisements.

WANTED: INVESTMENT TALES

Made a fortune on Polly Peck? Lost a packet on London and Liverpool? The Financial Times is considering a series of articles on private investors with a tale to tell about the way they play the stock market. Whether you beat the market or always lose out, whether you follow the experts or ignore them, please write to Stefan Wagstyl. Anonymity guaranteed, if requested.

Offshore Funds

Now the tea party's over

CLIVE WOLMAN on an attractive alternative to a building society for long-term investment

IT WAS only a year ago that sterling roll-up funds looked like becoming household names—and certainly the most popular mass tax dodge since the Boston Tea Party.

In 1983, UK investors put more than £1bn into these funds, attracted by the tax breaks they offered. Then, as now, the funds can be used as a substitute for a bank deposit or building society account or some form of National Savings.

Their interest rates will fluctuate slightly depending on how successful the managers are at playing the money markets. But the fluctuations will be small, and your capital is not at risk.

And in spite of the image of the offshore operator as a swarthy, shady individual in dark glasses, there is no more chance that your money will fall into the hands of the reckless or the dishonest than with any onshore bank or building society.

Nearly all the roll-up funds have City merchant banks as their ultimate sponsors, although the administration has to be based offshore to obtain the tax advantages.

Since January these tax breaks have been drastically curtailed by Government. But those which remain are not to be sniffed at as as the roll-up funds (but not the distributor funds) are concerned.

The advantage the roll-up funds offer is that of being able to defer income tax on your gains until you cash in your investment.

This is particularly useful if you are likely to be in a lower tax bracket when you withdraw your investment, possibly because you have retired or are working abroad. However, as was pointed out on these pages two weeks ago, your effective tax rate will be reduced even if your bracket is not lower when you bring back onshore your investment.

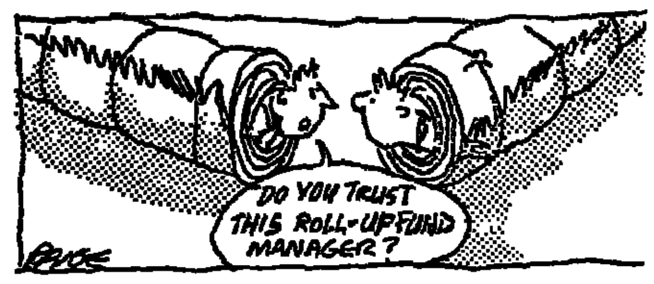
As long as the money remains in your hands and out of those of the taxman, it can be earning extra interest for you.

Assume a pre-tax interest rate of 10 per cent and that you do not need to cash in your investment for 15 years. Your effective tax-rate will then be only 10 per cent for a basic-rate (30 per cent) taxpayer and only 33 per cent for a top-rate (60 per cent) taxpayer.

Even if you keep your money invested for only five years, your effective tax rate will be reduced from 30 to 21 per cent or from 60 to 49 per cent.

Thus as a long-term investment, a roll-up fund has a major advantage over even building societies despite the attractive rates they are now offering (see adjacent article) for basic-rate taxpayers.

Higher-rate taxpayers will normally achieve a higher return from National Savings certificates or low-coupon gilts than building societies. But even for them, offshore sterling deposit roll-up funds will yield a higher return if held for more than about 10 years.



The closest relative to these roll-up funds is the onshore money market bank accounts or trust funds, whose interest rates are quoted in the back of this newspaper. Both types of fund invest their money in similar low-risk instruments such as bank deposits, certificates of deposit and ultra-short-dated Government securities whose maturity date is usually much less than a year away.

The more a fund invests in fixed-interest instruments with a maturity date beyond a few weeks, the more volatile will be the returns it yields compared to, say, a building society which guarantees a quoted rate of interest in advance.

But the funds change their policies according to their outlook for interest rates. At present, most have the bulk of their money tied up for only seven days or less.

In terms of these pre-tax yields, there is little to choose between the offshore roll-up funds and the onshore money market funds. But as a long-term or even medium-term investment the offshore funds have a decisive tax advantage.

However, the onshore funds offer chequing facilities, least for paying out la sums of money usually in ex of £100 to £250.

It is difficult to draw conclusions from the perf ance of the individual off-s roll-up funds, as a higher y today may reflect no more a one-off success by the man ment in anticipating the re upsurge in interest rates.

One comparison however can be made with more certa is that of the annual cha made by the managemen the fund. The winner on score is the Guinness Ma Sterling Deposit Fund base Guernsey which has just cu rate to only 0.375 per cent year.

The next lowest in the are those linked with Cha house Japhet in Jersey (0.5 cent), and the Schroder Mo Fund also in Jersey (0.625 cent).

The giant in the field, N. M. Rothschild Old Court ternational Reserves fund Guernsey, which still has £100m in sterling depo charges 0.75 per cent. St Hill Samuel's and Arbuthn funds.

NEXT WEEK: Commo Funds.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 29.6.84 (12) base=100
	as at close of business on Monday 23rd July 1984					*as at 29th June 1984* — Geographical Spread					
	CAPITAL & INCOME GROWTH										
95	Aberdeen	Aberdeen Fund Managers	180	5.2	160	68	26	3	3	100	223
338	Alliance Trust	Independently managed	465	4.1	658	37	46	9	8	94	267
53	Anglo Scottish	C S Investments	119	3.2	145	45	48	2	5	102	250
75	Bankers	Touche, Remnant	69	4.3	90	52	32	10	6	109	267
181	Border & Southern	John Govett	122	3.7	167	47	23	21	9	103	239
241	British Investment	Independently managed	280	6.0	381	47	36	16	1	88	241
60	Brunner	Kleinwort Benson	57	4.7	77	46	35	7□	12□	102	251
66	Charter Trust & Agency	Kleinwort Benson	60	5.0	80	56	26	13	5	97	245
101	Continental & Industrial	Schroder Wagg	417	5.8	578	57	41	–	2	104	242
135	Drayton Premier	Montagu Inv. Man.	302	5.4	427	57	27	13	3	94	209
384	Edinburgh Investment	Independently managed	90	4.0	115	46	35	9	10	106	275
83	First Scottish American	Independently managed	196	3.8	261	52	31	16	1	91	253
429	Foreign & Colonial	F & C Management	103	3.3	136	41	32	19	8	108	269
45	General Consolidated	Philip Hill	191	6.3	239	58	37	–	5	96	247
545	Globe	Electra House Group	197	6.5	282	65	23	7	5	102	213
242	Philip Hill	Philip Hill	190	6.2	250	72	26	–	2	90	243
6	Jos Holdings	Kleinwort Benson	85	5.3	103	73	18	8	1	99	228
28	Keystone	Warburg, Inv. Man.	276	5.2	373	61	28	11	–	98	†
6	Lancashire & London (q)	Rea Brothers	103	4.0	140	95	5	–	–	73	†
22	London & Lennox	Gartmore	87	3.3	113	32	53	10	5	100	275
28	London & Strathclyde	Gartmore	125	2.7	148	47	45	3	5	116	262
33	Meldrum	Gartmore	126	4.6	161	78	22	–	–	99	286
94	Northern American	Independently managed	212	3.6	279	47	34	19	–	96	248
78	Outwich	Baring Brothers	98	3.8	137	59	20	11	10	116	232
90	Raeburn	Lazard Brothers	248	4.8	336	52	32	10	6	96	233
60	River & Mercantile	Percy Tarbutt	94	6.8	124	65	20	9	6	88	245
34	River Plate & General	Percy Tarbutt	160	5.5	209	75	12	–	13	104	225
21	Scottish & Mercantile (q)	Rea Brothers	287	3.8	378	96	4	–	–	93	†
15	Scottish Cities (q)	Rea Brothers	324	6.0	444	91	3	–	6	70	†
347	Scottish Mortgage	Baillie, Gifford	278	3.3	374	35	38□	23□	4	102	297
159	Scottish National	Gartmore (Scotland)	167	3.4	223	50	36	8	6	103	257
146	Scottish Northern	Paull & Williamsons	97	4.8	137	72	23	2	3	107	197
112	Second Alliance	Independently managed	404	4.0	567	38	46	9	7	95	267
108	Securities Trust of Scotland	Martin Currie	87	5.3	120	66	19	14	1	110	237
361	TR Industrial & General	Touche, Remnant	123	3.7	161	43	22	26	9	104	241
285	Witan	Henderson	112	3.3	154	53	26	13	8	106	276
32	Yeoman (q)	Independently managed	214	5.5	257	76	14	5	5	97	243
	United Kingdom										
8	City of Oxford	Hambros Bank	166	5.2	193	98	1	–	1	98	221
25	Fleming Claverhouse	Robert Fleming	186	5.8	248	100	–	–	–	102	246
21	New Court	N M Rothschild	303	6.5	393	94	3	1	2	99	†
6	Shires	Stanecastle Assets	194	9.1	173	98	2	–	–	101	170
86	TR City of London	Touche, Remnant	63	6.1	82	88	9	–	3	105	228
64	Temple Bar	Electra House Group	90	6.7	111	96	4	–	–	94	223
	CAPITAL GROWTH										
	General										
173	Anglo-American Securities	Morgan Grenfell	220	3.5	293	41	28	23	8	104	258
47	Ashdown	Schroder Wagg	330	3.1	423	53	30	11	6	96	256
7	Atlanta Inv. Trust (q)	Atlanta Fund Mgrs.	101	1.6	126	82	1	14	3	149	†
134	Atlantic Assets	Ivory & Sime	79	0.9	108	31□	63	–	6	86	333
98	Edinburgh Amer. Assets	Ivory & Sime	160	0.8	202	11	83	2	4	111	312
53	Electric & General	Henderson	209	2.2	281	49	36	11	4	101	287
18	Greenfriar	Henderson	182	1.1	216	56	23	10	11	100	354
122	Merchants	Kleinwort Benson	72	4.8	100	46	36	9	9□	101	242
5	Personal Assets (q)	Ivory & Sime	25	2.3	30	51	49	–	–	102	†
191	Scottish Eastern	Martin Currie	118	4.1	168	63	11	21	5	108	229
	International										
62	Berry	GT Management	140	1.0	165	58	24	10	8	109	384
81	English & New York	Kleinwort Benson	75	4.4	100	38	45	8	9	101	228
61	English & Scottish	Gartmore	56	2.7*	71	46	31	13	10	102	286
8	F & C Eurotrust	Foreign & Colonial	95	2.3	104	8	–	–	92	102	200
156	Fleming Overseas	Robert Fleming	258	3.9	352	14	52	19	15	81	245
67	Fleming Universal	Robert Fleming	216	4.5	306	34	39	17	10	90	228
55	Gartmore Info. & Fin. Trust	Gartmore	42	3.7	57	45	49	4	2	109	247
43	General Funds (q)	City Financial	448	2.9	559	44	20	33	3	101	256
21	Group Investors	C S Investments	188	2.7	262	48	50	1	1	103	311
102	Hambros	Hambros Bank	114	4.6	165	51	39	5	5	113	241
38	'Investing in Success' (q)	City Financial	397	1.9	508	41	15	43	1	107	253
161	Investors Capital Trust	Independently managed	178	2.8	229	31	38	18	13	94	252
16	London & Gartmore	Gartmore	223	1.0	261	22	62	5	11	92	295
8	Mid Wynd International	Baillie, Gifford	112	2.4	140	14	38	21□	27	97	†
134	Monks	Baillie, Gifford	123	2.8	161	28	38	29□	5	96	282
159	Murray Clydesdale	Murray Johnstone	71	2.8*	96	34	44	18□	4	100	248
55	Murray Northern	Murray Johnstone	127	2.6*	163	24□	10	31□	35	100	253
175	Murray Western	Murray Johnstone	90	4.8*	122	31	49□	15□	5	88	252
55	North Atlantic Securities	Morgan Grenfell	226	1.9	284	–	56	34	10	99	268
21	Northern Securities	GT Management	386	1.9	485	60	17	9	14	109	305
78	Romney	Lazard Brothers	186	3.4	256	29	37	22	12	101	243
255	Scottish Investment Trust	Independently managed	198	3.4	277	33	34	20	13	101	241
68	Trans-Oceanic	Schroder Wagg	124	3.5	170	36	44	14	6	100	251
60	Tribune	Baring Brothers	85	3.2	114	36	40	13	11	91	297
146	U.S. Debenture Corp.	GT Management	156	6.0	201	58	23	13	6	104	207
	North America										
114	American	Edinburgh Fund Mgrs.	92	3.9*	130	24	76	–	–	98	237
102	Fleming American	Robert Fleming	370	1.6	481	2	97	–	1	93	226
118	Stockholders	John Govett	101	2.8	130	21	75	1	3	98	217
68	TR North America	Touche, Remnant	142	3.4	183	7	93	–	–	103	253
	Far East										
45	CJR Pacific	J. Rothschild	78	–	90	12□	–	83□	5□	31	†
19	Drayton Far Eastern	Montagu Inv. Man.	88	1.4	110	3	–	71□	26	77	278
91	F & C Pacific	Foreign & Colonial	118	4.2	152	37	24	15	24	84	251
144	Fleming Far Eastern	Robert Fleming	228	1.3	277	3	–	73	24	86	285
130	Lake View	John Govett	215	2.9	279	18	4	57	21	96	248
6	New Australia	Edinburgh Fund Mgrs.	78	2.7	95	–	–	–	100	127	†
28	TR Australia	Touche, Remnant	78	3.3	98	8	–	–	92	100	225
90	TR Pacific Basin	Touche, Remnant	195	1.5	244	8	1	78	13	95	261
	Japan										
24	Baillie Gifford Japan	Baillie, Gifford	220	0.1	235	–	–	100	–	86	†
45	Crescent Japan	Edinburgh Fund Mgrs.	130	0.3	135	–	–	100	–	80	417
121	Drayton Japan	Montagu Inv. Man.	294	1.5	356	2	2	95□	1	70	248
69	Fleming Japanese	Robert Fleming	394	0.6*	446	4	–	96	–	87	308
41	GT Japan	GT Management	123	1.3	132	1□	4	92	3	82	396
15	Japan Assets	Ivory & Sime	45	0.2	50	–	–	100	–	97	†
29	New Tokyo	Edinburgh Fund Mgrs.	259	–	291	–	–	100	–	83	†

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 29.6.84 (12) base=100
	as at close of business on Monday 23rd July 1984					*as at 29th June 1984* — Geographical Spread					
	Commodities & Energy										
5●	City & Foreign	Montagu Inv. Man.	96	–	135	4	96	–	–	91	222
9	New Darien	Hodgson Martin	61	0.6	75	13	77	–	10	112	†
33●	North Sea Assets (q)	Ivory & Sime	115	1.9	177	71□	29	–	–	106	+
13	Precious Metals	J. Rothschild	104	0.8	112	36□	34	1	29	87	†
85	TR Natural Resources	Touche, Remnant	202	5.3	277	28	41	1	30	101	203
62	Viking Resources	Ivory & Sime	77	1.9	109	34□	65	–	1	108	247
13	Wemyss	Edinburgh Fund Mgrs.	469	6.1	566	39	29	–	22	91	192
26	Winterbottom Energy	Baillie, Gifford	77	1.5	99	5□	93	–	2	93	195
	Technology										
6△	Baillie Gifford Technology	Baillie Gifford	58	–	60	67□	33	–	–	90	†
51	British American & Gen.	Kleinwort Benson	79	4.7	100	49	40	7	4	98	216
65	Fleming Technology	Robert Fleming	121	2.6	164	43	35	16	6	95	260
74	Independent	Ivory & Sime	220	0.3	264	20□	72	–	8	95	†
236	TR Technology	Touche, Remnant	70	3.4	99	35	42	19	4	110	251
	INCOME GROWTH										
202	British Assets	Ivory & Sime	149	5.4	206	41	58	–	1	99	257
16	Lowland	Henderson	190	4.5	202	90	5	1	4	93	321
92	Murray Caledonian	Murray Johnstone	89	7.1*	103	74	7□	8□	11	93	278
	SMALLER COMPANIES										
30	Dundee & London (q)	Tay & Thames Inv. Serv.	142	4.4	175	67	20	12	1	94	237
33	English & International	Montagu Inv. Man.	192	4.7	257	57	25	12□	6	109	†
46	F & C Alliance	Foreign & Colonial	71	3.2	91	53	30	13	4	106	283
9	Family	Kleinwort Benson	162	5.8	205	95	3	–	2	97	218
8	First Charlotte (q)	Ivory & Sime	9	0.8	11	76	22	2	–	94	†
15	Fleming Fledgeling	Robert Fleming	83	3.9	114	71	22	5	2	98	265
27	General Scottish	Edinburgh Funds Mgrs.	52	4.3	69	55	33	12	–	90	272
23	General Stockholders	John Govett	106	3.0	155	36	56	4	4	94	213
39	Glasgow Stockholders	Gartmore (Scotland)	83	3.2	105	44	46	2	8	101	251
20	London Atlantic	Investors in Industry	134	5.9	169	63	18	–	19	96	212
14	London Prudential	Kleinwort Benson	194	4.3	214	62	22	11	5	95	228
12	Moorgate	Philip Hill	236	6.1	250	91	4	–	5	94	261
13	North British Canadian	Investors in Industry	148	5.5	194	89	6	–	5	102	205
23	Safeguard (q)	London & Yorkshire	163	5.8	205	100	–	–	–	99	230
38	St Andrew	Martin Currie	240	4.2	325	65	19	14	2	97	240
141	Scottish American	Stewart Fund Managers	179	4.0	252	47	37	8	8	99	249
136	TR Trustees Corp.	Touche, Remnant	104	4.7	143	62	30	6	2	105	236
145	Throgmorton	Throgmorton Inv. Man.	165	5.6	221	82	13	2	3	111	242
	SPECIAL FEATURES										
46	Ailsa	J. Rothschild	68	2.7	92	46	31	15	8□	93	†
11	Consolidated Venture	Montagu Inv. Man.	85	1.4	109	26□	74	–	–	70	†
117●	Drayton Consolidated	Montagu Inv. Man.	246	4.9	337	63	26	7	4	92	†
20	Edinburgh Financial	Stanecastle Assets	39	2.6	40	81	10	2	7	150	†
25●	Fleming Enterprise	Robert Fleming	189	5.5	249	99	1	–	–	96	245
209	Fleming Mercantile	Robert Fleming	92	4.3	130	50	31	8	11	101	251
10	GT Global Recovery	GT Management	76	3.8	101	69	21	–	10	88	†
136	London Trust	Lon. Trust Man. Serv.	75	5.2	107	62	28	–	10	85	168
32	Murray Ventures	Murray Johnstone	228	2.2	293	49	18	18	15	100	265
64	Nineteen Twenty-Eight	Philip Hill	140	5.6	171	53	42	–	5	93	223
7●	Stewart Enterprise	Stewart Fund Managers	34	1.7	45	39	36	14	11	98	†
69	TR Property	Touche, Remnant	116	3.9	151	73	13	3	11	104	219
	SPLIT CAPITAL (x)										
16	Altifund	Gartmore	335	0.2	427	93	4	1	2	116	308
2	Child Health Research	GT Management	235	–	262	77□	11	12	–	51	†
27	City & Commercial	Montagu Inv. Man.	395	–	608	91	5	3	1	120	†
24	Dualvest	Montagu Inv. Man.	785	–	957	92	7	1	–	114	246
22	Fundinvest	Montagu Inv. Man.	183	–	288	90	5	4	1	113	266
2	Marine Adventure Sailing	G T Management	157	–	167	80□	10	10	–	53	†
27	New Throgmorton (1983)	Throgmorton Inv. Man.	21	–	69	99	–	–	1	184	†
31	Save & Prosper Linked	Save & Prosper Group	143	–	336	100	–	–	–	132	216
17	Throgmorton Sec'd Growth	Throgmorton Inv. Man.	212	–	298	100	–	–	–	†	166
62	Triplevest	Montagu Inv. Man.	475	–	798	94	5	1	–	121	†

NOTES TO THE TABLE

† No data.
\- Applies to Ordinary/"A" Ordinary only.
a Does not include special dividend.
□ More than one quarter in non-equity investments.
(x) Capital shares.
△ Shares partly paid.
● More than 20% in securities or other assets included at director's valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.

(a) Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange. The figures in Cols 1 & 6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

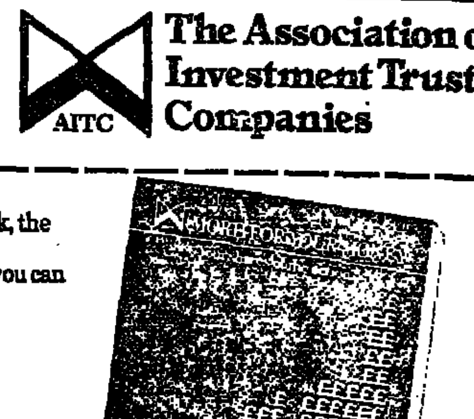
(b) Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 2JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	252
F.T.-Actuaries All Share	241
* Standard & Poors Composite	257
* Tokyo New Share Exchange	250
* Capital International World	235

\+ Excludes split capital.
* Adjusted for exchange rate changes.



FT10

)n the Sloane Stanley Estate, 56 and 58 Elm Park Road, London, SW3, are a pair of restored nid-Victorian properties converted into eight 2 bedroom apartments. The one remaining unit is for sale : £138,000 for a 68-year lease. Details Hon. Edward Wood, City and Provincial Estates, 7 Bunhouse Place, .ondon, SW1 (01-730 6227).

Home, home on the range

IY JUNE FIELD

'OU SHOULD BE careful where you live: a good address till means what it says, insts *The Official Sloane Ranger 'andbook*, that everyday story f upper class life which has one into a dozen impressions : was first printed in 1982.

Although it pointed out that ome Sloanes have centred on :olland Park and environs, lus even Pimlico, Putney, attersea, Barnes and Kew, it arned that the London heartand *for the married Sloane is* ill the rose-red canyons of nightsbridge, South Kensingon, Fulham and Chelsea Southwest 3, 1, 7, 10, 6 and 5 that order). "How many iles-from-the-centre you are is, course, measured from Sloane quare."

For the uninitiated, Sloanes re those peculiarly English haracters *identified* by the agazine Harpers & Queen early a decade ago, and still romoted in the current *Sloane anger Diary*.

The original Sloane was of ourse physician Sir Hans loane who gave his name to e area. He bought the Manor Chelsea from William, Lord heyne in 1712. By 1753, as oane had died without a son, s estate was divided between is two daughters. Sarah took e western half and married eorge Stanley, *creating Sloane* tanley Estate Elizabeth arried Charles Cadogan, and 1771 the first real development of the Cadogan Estate egan.

Many of the chunky, solidly uilt mid-Victorian red-brick rraced houses with their stucco porches and stucco-trim windows in the Sloane Stanley Estate's Elm Park Road, SW3, have been converted into flats. Numbers 56 and 58 have been stylishly restructured by City and Provincial Estates into eight two-bedroom apartments, including a pair of penthouse-maisonettes added to form an *extra storey*.

Seven apartments sold almost immediately at prices between £100,000 and £177,500 for 68-year leases, their appeal mainly to professional people as a *pied-à-terre*. The effectively *presented* show unit by Joanna Wood and Countess Niki Mapelli Mozzi is now for sale at £138,000. It has a large panelled living room *with* a south-facing balcony. Details: Hon. Edward Wood and Tom Hartley, City and Provincial Estates, who have moved to 7, Bunhouse Place, SW1. (The company is already at work on its next project, 31 and 33 Cranley Gardens, SW7, where 12 flats should be ready to sell at similar prices by next summer.)

The Sloane area, which comes under the Royal Borough of Kensington and Chelsea, is well supplied with estate agents. On Monday, August 6, Savill's residential department is for-*saking the quiet backwater of* Grosvenor Hill, W1, for the more trendy Sloane Street. At number 139, practically opposite Knight Frank and Rutley, it will be almost next door to the General Trading Company ("along with Peter Jones, mecca to all Sloanes, the kingpin of the central Sloane zone") and further along on the other side "that arch SR shop, Laura Ashley."

Savills has bought a short Cadogan Estate lease of the *whole* of the listed grade 11 early 19th-century building, and the new offices will be on the ground and first floors, with *a partners' flat above*.

Savills currently have a strong following of foreign buyers for London houses and flats. The figure of 42 per cent overall in 1980 has risen to 61.4 per cent, of whom 26.2 per cent are *from Europe*, *19.3 per* cent from the United States, with the balance made up of those from the Middle and Far East and Africa.

One service which they intend to expand is the purchase of property on behalf of clients. "Looking for the right property is very hard work and time-consuming. For a fee of 1½ per cent of the eventual price we will scour the market to find something suitable, inspect the place, advise as to value, and negotiate the sale."

For more details contact Sir Nicholas on the current telephone number, 01-499 8644, or the new one, 01-730 7152. He will also send a free copy of their summer magazine, whose *illustrations include former* MP and government whip Sir Spencer Le Marchant's penthouse at Rivermill, Grosvenor Road, S.W.1, which is on offer in conjunction with Howard Minter, Cadogan Place, at a reduced figure of £275,000 for an 83-year lease.

The Sloane Gardens Club on the Cadogan Estate where timeshare weeks cost from around £5,000 to £8,000 for one week's use of an apartment every year for 35 years. Details Robert Buhagier, marketing director, 3 Sloane Gardens, Sloane Square, London, SW1 (01-730 0925)

Sculptor Shenda Amery's three bedroom, two bathroom maisonette *in Shrewbury House*, Cheyne Walk, has also been marked down, to £149,500 for the 57-year lease, a reduction of nearly £10,000. Details Alex Whitney, Lurot Brand and Company, 242 Brompton Road, S.W.3. He is also offering a 21-year lease on a maisonette with a large terrace at 95 Sloane Street, for £67,500. The rooms are good-sized, but complete modernisation is needed.

At Keith Cardale Groves, 251 Brompton Road, Nicholas Elton has an apartment for sale in the refurbished Sloane Square House, Holbein Place, £99,500 for a 77-year lease; a well-equipped one bedroom flat in Lowndes Square is £70,000 for a 16-year lease. It has hardly been lived in since being redecorated by the present owner, and people will pay this kind of money for somewhere *immaculate in this sort of* position, he says, even though it is only a short lease.

For visiting Rangers:

● Timesharing has come to London SW3, with De Loof and Associates of Michigan marketing *a restored Victorian town* house, The 3 Sloane Gardens Club on the Cadogan Estate. Here 10 apartments are being sold for around *£5,000* to *£8,000* for one week's use of a lavishly furnished apartment (more pro rata for a longer period), every year for 35 years. Details Robert Buhagier, 3 Sloane Gardens, SW1.

To make sure *sharers* are what he calls "au fait with the arcana of the Sloane argot," a copy of the handbook is left in the units which are variously named after Rossetti, Oscar Wilde, and, naturally, Sir Hans Sloane. There is a programme of event too, which covers Devonshire Teas at nearby hotels, a chauffeur-driven Silver Cloud Rolls-Royce at reduced rates, and "meeting the aristocracy" through Susie Worthy's Country Homes and Castles tours *which include* things like lunch with the Earl and Countess Peel on their 30,000-acre Yorkshire moorland estate.

Sermons in stones

THE GROUNDS of Syon Lodge, Isleworth, Middlesex, once the Dower House to the Duke of Northumberland's 18th century Adam-designed Syon House, are now a treasure trove of sculpture *for the outdoors*.

A life-size gladiator raises his sword menacingly, a young Bacchus proffers a bunch of grapes, and a crouching lion flicks his tail.

The warrior is stone, the boy marble, and the king of the jungle terracotta, but their life-like qualities cause many a startled stare from passing cars at Busch Corner on the busy London road.

The firm dates back to Tom Crowther, grandfather of the present owner, Derek Crowther. Tom was a stonemason who produced marble mantels and tombstones in the workshop of his London home. When imports of Italian marble threatened his livelihood, he turned to the buying and selling of the fittings of old houses about to be demolished.

When Tom died in 1929, his sons Bert and Tom took over, but the partnership did not last long. Bert bought Syon Lodge, where he built up a diverse selection of period garden ornaments, gates, chimney-pieces, fireplaces, panelling and so on. He died in 1957, and his son Derek took over.

Derek Crowther has rescued various architectural antiquities from oblivion. Saved from the bulldozer some years ago were the six iron pillars which used *to support* the balcony of the Theatre Royal, Plymouth, while a majestic lead water cistern dated 1777 was craned out of the seventh floor of a condemned house in London's West End. And he tells of flying up to Perth to ensure the survival of early Georgian fireplaces at Blair Drummond because they were going to be blown up.

Over 20 per cent of Crowther's stock is exported, principally to the United States; shipped to New York and Texas are temples (the Americans call them gazebos), and columns to support a bust or urn. A set of five barley twist columns was just on its way to Houston, while under consideration by a museum was an enormous piece of sculpture in *Verona marble* which was £20,000 plus £5,000 for the shipping costs.

Carved marble group of a pair of dancing girls adorning Pan. French c 1890, from Crowther of Syon Lodge.

Popular too are reclining period ladies to dress a swimming pool, large 17th century stone seats with intricate carving, where the supports are lions, the arms pipe-playing satyrs, and pairs of 18th century lead vases where the handles are entertwined serpents.

The *Californians* like everything clean and fresh, so prefer later pieces where erosion is not so apparent. Although patina in antique statuary can be just as important as in old furniture. *Algae*, lichen and moss-encrustation are all part of the charm.

For sale too, are whole period rooms, to give a spot of grandeur to minor country homes and staid old boardrooms. From the Rose Terrace Estate in Chicago, three Louis XV carved panelled rooms were acquired for a German client.

Europe has been well combed for stock. The newest source is India, the palaces of the Raj. Britain is still a lucrative hunting ground too, with so many *stately home sales these days*. Although as sales director Linda *Harold laments, the Americans* provide the stiffest competition at auction.

From the St. Osyth Priory, Essex, sale, a pair of rare 15th century gargoyles were bought (already sold to an American for just under £3,000), and a sundial and wellhead from Christie's Elvedon Hall, Suffolk sale.

A Victorian window box costs around £35, wall-masks £30, small figures and vases suitable *for a patio or terrace* (watch out for weight), £200 to £300. Finials and pineapples are a bit more, depending on the intricacy *of the ornamentation*, and whether they are period or not.

You might find a lead putto *for £190*, or "Mona, the Moon Goddess" by Michael Rysbrack from Stowe Park, Buckinghamshire, nearer £60,000. A leaflet illustrating some of the constantly changing stock from Linda Harold, Crowther of Syon Lodge Busch Corner, London Road, Isleworth, Middlesex (01-560 7978).

J.F.

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TRAVEL

Trevor Humphries

Grocer's shop in Calais. All three ports are excellent for French food basics such as cheese, wine and herbs

Going French on the coast

THE LIFTING of the blockade of the Channel ports was a relief to Britons planning motoring holidays in Europe, and Europeans venturing into the UK. It also brought an almost audible cry of joy from the hoteliers, restaurateurs and shopkeepers of the nearest French ports, for many of whom the British tourists and day trippers are now the baguette et beurre of their business. While the dispute was on Calais in particular was like a ghost town—even a few rowdy British youths might have been welcome.

The argument as to which is "the best" French Channel port is fraught with subjective viewpoints. Conventional wisdom is that while Calais is the nearest, Boulogne is the most interesting and Dieppe has the most tempting culinary delights. We look at all three and at some of their best features. ARTHUR SANDLES and LAILAN YOUNG report.

Calais

THE MOST popular, and the least regarded, of the French ports, Calais is probably the first bit of the continental EEC most British see. Instant impressions are pretty bleak. The ferries arrive and depart from a dockland zone that is barren and unremarkable. The hovercraft sweep onto a beach at the other side of town, but this once again is a region of warehouses and rail tracks.

The town itself is very much under-rated. Its misfortune, as far as the casual visitor is concerned, is that it consists largely of two lengthy shopping streets, the Boulevard Jacquard (and its continuations, Clemenceau, Royale and de la Mer) and the Bd La Fayette. Covering them both can be leg-wearing. If these streets were around the same square everyone would love Calais.

Most day visitors head very quickly to the **Continent** hypermarket which is on the eastern fringe of town. Bus No. 4 runs every 20 minutes or so from the main station which is opposite the town hall. The charge is 5fr and the trip takes upwards of 10 minutes. For motorists the Continent has a huge car park. Beware the French system of market trollies—you need a 1franc piece for a deposit which unlocks an intriguing security device.

The Continent is vast and excellent for a last-minute grab of French basics—wine, cheese, herbs, olive oil and pots and pans—provided you realise that it's just a big supermarket and you are getting supermarket fare. There is an exchange bureau, toilets, coffee shop and assorted little boutiques on site.

If you are more selective the Royale and La Fayette offer better products, but considerably more difficult parking. For another last ditch shopping point you might try the Gro supermarket on the Place d'Armes, a rather dreary square quite close to the port. Apart from the supermarket the one saving grace is the **Maison du Fromage**, easily the best cheese shop in the town.

Calais boasts a bit of culinary supremacy in two fields—seafood and croissants. For seafood, if you are likely to get home in time to consume it that night, **Huitriere Calaisiene** in the Boulevard Lafayette is best, particularly if you like oysters. The Sole Berckoise in Boulevard Jacquard is another good bet, notably for shrimp.

For the croissants, and other forms of sweet tooth delicacies, try the **Croissant Chaud** or **Ducard**, both in Lafayette, or **Croissant d'Or** in Rue Royale.

You will find a pretty good range of kitchen equipment at **Cupillard** in La Fayette, particularly Le Creuset. However, so good are many UK kitchen shops these days that the keen British cook may find France a bit of a disappointment these days.

Avoid the Calais **Prisunic**, it is cheap and cheerless, Woolworth at its pre-revival worst.

Calais boasts no great restaurants or hotels, but it does have a healthy range of quite acceptable establishments. The old **Sauvage** where I had my first real French meal, or so it seemed at the time, has been trendified to look like a British bistro/wine bar. It is a pity, but the place does have a jolly look about it even so.

More serious eaters will follow the locals and head for the beach and the **Au Cote d'Argent** where the seafood is particularly good. Beware of early September holiday closing which has been something of a trap in the past.

Next on the list would be the **Channel**, in the Bd de la Resistence, which has found favour notably for its cheese board.

If you have a car full of kids and are looking for something a little less formal and less punishing on what may be diminished holiday cash (the Channel takes credit cards) try **Touquets** in the Rue Royale or **Au Coq d'Or** in the Place d'Armes.

For day trippers the best choices would be Saturday when there are usually markets in the Places d'Armes and the Place Crevecoeur. Both squares have markets on other days—Armes on Wednesday and Crevecoeur on Thursday.

Dieppe

DIEPPE IS the port where the harbour turns in so close to the shops that the ferries would be on parking meters if the town had them. Instead parking is free and usually easy along the grassy seafront a short stroll from the main shopping streets. The exception is on Saturdays when, in the mornings especially, one of Normandy's best markets blocks the streets. There are smaller versions of the market around the church of St-Jacques on Tuesdays and Thursdays.

In Dieppe branches of **Prisunic** and **Au Printemps**, and the town's best charcutier, **Eurieult** (22 Grande Rue) are within 50 paces of the passenger steps to the ferry terminal. Between is a poissonerie where fishwives sell fresh seafood.

For the other best food shops go up Grande Rue, where, in close proximity a superb chocolatier, **Ratel** (No. 113) neighbours the **Cabouret** charcuterie and an excellent greengrocer, **Aux Fruits d'Or**, while opposite are the town's two top patisseries, **Delahaye** and **Divernat-Grisch** (No. 136). For cheese and high class groceries go round to rue St-Jacques where **Claude Olivier** (bother of Boulogne's Philippe) runs an exceptionally well-kept shop that is almost always crowded. The most interesting bakery is J. Lethelier's **Au Bon Pain de Campagne** at 14 rue de la Boucherie (the corner with rue de Clieu) near the church. They will supply you with any fish you require at **A la Maree du Jour**, in the corner of Place Nationale.

The best gift shops are **Form** (next door to the Prisunic) and **Clouet**, at 137 Grande Rue. You can now get paper napkins, melamine and porcelain, all in prettiest matching pastel patterns. Other interesting shops in the Grande Rue include **Au Cyclamen** (crystal and porcelain), **Bergeret-Pier Import** (oriental ware) and **Le Petit Lutin** (children's clothes).

In rue St-Jacques are **Aux Aromes de Provence** herbs (No. 13), **Roussel** (cutlery at No 42) and a children's **Benetton** at No 52. Beyond the Café des Tribunaux in the rue de la Barre the most notable are the **Harmonie** fashion boutique (No. 24) and Dieppe's last surviving ivory workers, **Denielo**, at No. 68. There is a **Rodier Idées** boutique in rue Victor Hugo.

Dieppe offers more choice of pleasant, conventional French restaurants than any other port. They proliferate along Quai Henri IV. The smartest for a plateau of fruits de mer is **l'Amorique**, and the best menus (47 to 180 francs) are usually at **Le Sully**. Move in early, or book.

For cooking beyond the ordinary go three miles toward Rouen to **La Bucherie** at Vertus. Here the three-course menu at 90 francs is exceptionally good value. On the way you pass the **Mammouth** hypermarket, where bargains range from French saucepans to bicycles.

Those able to travel further should go 24 km along the coast to Veules-les-Roses, where **Les Galets** is one of the top tables in northern France. The food (menus at 175 to 250 francs) is really fine, and the service is as polished as the sparkling glasses and silverware.

Of Dieppe's seafront hotels only the antiquely-fitted **Univers** has charm, but the functional **Président** and **Aguado** are more efficient. The rather mediocre **Windsor** has a faithful British following.

Boulogne

BOULOGNE IS two towns in one. Sightseeing is concentrated within the ramparts of the hilltop Haute Ville. The principal shops and better restaurants are conveniently grouped in the rebuilt streets by the port. Street parking is metered (one franc buys 40 minutes), but there are free parks along the quayside and, conveniently for shoppers, at the Centre Commercial de la Liane, just to the right over the bridge from the ferry terminal.

The centre's principal attraction is the comprehensive range of food and drink in the **Champion** supermarket. There is also a handy concessionaire for the dependable Nicolas wines. The town's full-scale hypermarket is seven km along the road to St Omer. Run by Auchan, the most enterprising French chain, it offers specialist counters for fine wines, unpasteurised cheeses, traditional charcuterie, fish and shellfish as well as bulk-bought bargains in groceries, toiletries, hardware, furniture and toys. Even lower prices for electrical kitchen equipment may be found at the neighbouring store, **Boulanger Frères**.

In the town the three essential shops for food-lovers are **Derrien** charcuterie, **André Lugand's** patisserie and **Philippe Olivier's** cheese shop.

Derrien, 1 Grande Rue, will custom-build a choucroute to bring home or furnish sumptuous picincs. Lugand (meilleur ouvrier de France) a few doors up at No. 9, makes truly exquisite cakes and chocolates. Round the corner at 43 rue Thiers is the fromagerie of Philippe Olivier, France's youngest master cheese-factor whose fame is such that a black market has grown up among London's restaurants for the labels which identify his cheeses. He supplies only the best.

There is always a choice of 200 varieties in the shop: take advice about the best buys and stipulate which day you want the cheese to be in prime condition.

Boulogne's other best shops are **Phildar** (wools), **Rodier** (women's), **Djin** (children's) and — despite the doorway warning in English "No free entry"—**Leclerc** for tableware and gifts—all in Grande Rue; **Rodier** (men's), **Descamps** (linens), **Rousseaux** (coffees) and **Bally** (shoes) in rue Thiers; **Berger du Nord** and **Anny Blatt** (wools and handknits) in rue Faidherbe; and **Reflects de Paris** and **Chloe** fashion boutques in rue Nationale.

An excellent, varied market fills Place Dalton and surrounding streets on Saturday mornings. It is smaller on Wednesdays.

The town's best retaurant is the **Hostellerie de la Rivière** in the suburb of Pont-de-Briques, a few kilometres towards Paris. A simple lunch is 75 francs. The chef's choice of the choicest costs 200 francs and takes nearly three hours.

At **La Matelote**, 80 rue Ste-Beuve, the atmosphere is stiffer, the food more cautiously meticulous. Local businessmen approve the greenery-filled **La Liègeoise**, 10 rue Monsigny, and the most promising newcomer, since France's first fishing port has too long suffered a dearth of fish restaurants, is **l'Huitrière**, Place Lorraine, where meals are 90 to 160 francs.

Blizzard of brochures

SKIING

ARTHUR SANDLES

THE SKI season is here. Well, perhaps the snow is a little thin on the ground, but the brochures are beginning to appear in a veritable blizzard. Most of the big operators . . . Thomson, Inghams, Neilson, Blue Sky, Global, Bladon Lines, Sunmed, Enterprise, Thomas Cook . . . have now produced their 1984-85 editions. More, many more, will be appearing over the next few weeks. Last season more than 100 ski brochures arrived on the desk of this writer and I am assured by the trade that this was only about half of those available.

Prices are pretty well in line with last year, slightly up in some cases and slightly down in others. Already the bookings are flowing in. Keen skiers have found that to get what they want they have to book early. It would not be surprising, however, if there were lots of last-minute bargains around for those who are not so choosy.

For the last few years winter has been moving later, giving us White Easters rather than White Christmases. It does not follow that this winter will be the same but if you are looking for good ski snow rather than festive fun then steer your tracks towards February and early March rather than January.

My own best bet for decent snow and good prices would be to depart British shores on the last weekend of January. Rates are low at that time but the weather ought to be good.

Austria is likely to be the biggest seller in the ski business this year, followed by France. French skiing is better organised and excellent for families who like self-catering, but after 4.30 pm French resorts are frankly Dullsville. Austria is immeasurably prettier, the resorts livelier and, unfortunately, the slopes more crowded.

Italy's sun factor is about the same as Austria, but Italy can be expensive, surprisingly, and the transfers from resort to airport are often a misery. If the price of Spain is attractive then go, but the weather and snow are unreliable and a small Pyrennean resort in poor snow and bad weather can be miserable.

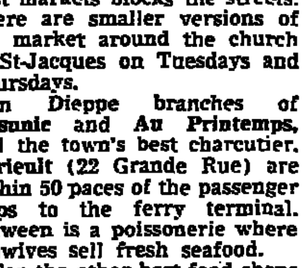
Switzerland has reasonable basic prices and in mood is half-way between Austria and France. Extras, like drinks, can be expensive.

Price guidelines for the coming season are: Austria (high season) seven nights in a popular resort £250-£325. In a glossy spot £350-£450. France, a week in low season £250-£300. Spain, self-catering low season, £200-£250. Switzerland, at a modest hotel in a medium resort in high season, expect to pay £230-£275 for a week.

Lift-pass rates are fixed late in most resorts and are becoming as variable as British Rail tariffs so that if you are a beginner you will pay much less than an expert who needs to use all the runs. A full pass in the Alps this coming winter looks as if it is going to cost between £30 and £40 a week.

In September and October this column will look much more closely at the coming winter and at the latest changes in equipment and clothing. Meanwhile, if you want to holiday at Christmas or Easter, or if you want a specific resort or hotel, book now. If you don't mind waiting to see where the best snow is then there will almost certainly be lots of holidays still for sale in January — but the prices may have changed.

Liverpool Festival a flowery paradise



GARDENING

ARTHUR HELLYER

I RETURNED to Liverpool last week to see how the great International Garden Festival was prospering since I last saw it on opening day, May 2, and what I saw pleased me well. The whole place now has a much more established look thanks to the growth of plants, which has been good in spite of the very dry weather.

The improvement it has made to some gardens is great. Of those in the international section, with which I was chiefly concerned on this visit, the three that seemed to me to have benefited most were those of Great Britain, West Germany and Australia.

Part of the purpose of these international gardens is to portray the character of the country and the people from which they come and this they do in very different ways. The British garden is immediately recognisable as such, the kind of flowery paradise that has delighted so many visitors to this island and one which, for all its abundance of bloom, has a very strong basic design.

It combines a little courtyard, a sunken pool, wide flower borders, an ample well-kept lawn, a substantial rock garden — whose construction is firmly based on natural principles — and a summer house surmounted by a dovecote which, in the absence of a house, is the architectural feature upon which the whole garden is centred.

On my previous visits it has always been these bones of design that have been most apparent but now it is all satisfactorily clothed with plants which are so well chosen and so well cared for that this is clearly a garden both loved and lived in.

Sure enough, there was Peter Hayes, the constructor who made it, still there cleaning out the pool, looking after the flower borders and ensuring that everything was as good as it possibly could be. Some of the other gardens could have done with the same continuous attention which, in some situations, is as important to good garden-making as the original design and planting.

In May I had not greatly likely the West German garden because of the dominance of the smooth white pebbles and boulders that surround the large pool. But now in July the whole scene had come alive with plants, many of them actually sprouting up among the stones as though they had always belonged there and so giving the whole place the appearance of an unusually well-ordered wild garden.

It divides into two main areas, one the pool with its broad surround of water-worn stone, the other a dry garden with a moorland look, largely covered with low-growing plants but with groups of taller things, including the giant onion Allium giganteum, flaunting large drumstick heads of purple flowers on four-foot stems.

The Australian exhibit is a concentrated fragment of wild Australia packed with native plants growing around a lake and a bold waterfall. In May I had not realised just how extensive the collection of native plants was, perhaps because very few of them were then in flower, but now, with the whole area full of strange flowers and the air filled with the recorded croaking of Australian bull frogs, the place is transformed.

When I saw it, children were scrambling up the large rocks beside the waterfall and everyone was clearly enjoying this highly successful essay in natural gardening, organised by the National Botanic Garden at Canberra.

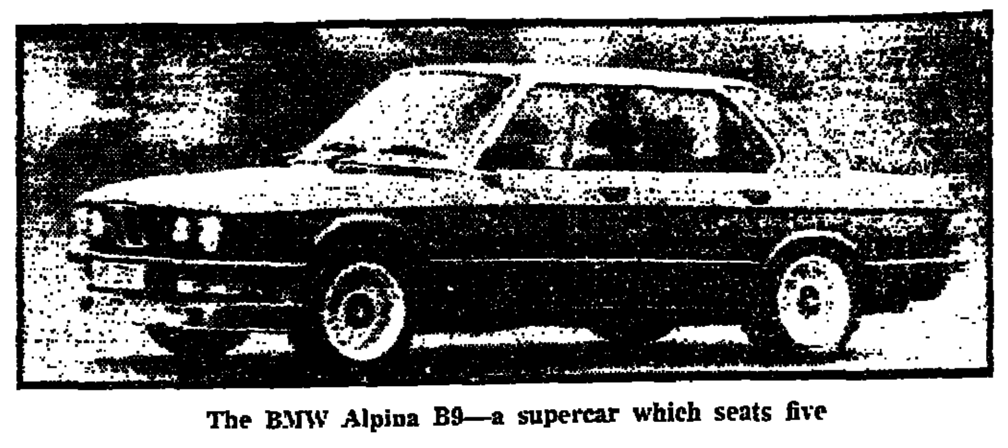
Equally natural in a quite different way is the Spanish exhibit, also evocative of the native countryside but here rural not wild. There is rough meadow grass and old, heavily pruned olive trees, a great terracotta jar lying apparently forgotten on the ground, dusty cypresses and aromatic rosemary and sage.

What does grow in my consciousness each time I go is the excellence of the overall landscaping, which is the work of the festival planners and not of individual exhibitors.

In particular, I commend to visitors the handling of water in the area around the big lake to the east of the great arena. Here, separting the exhibition from the Fulwood entrance, a series of hills has been built and from these several streams flow down to the lake.

But the real miracle is what happens when these various waterways meet. I suspect that the engineer-architect who designed it all knew exactly what was going to happen and that he calculated exactly how one hurried but narrow rush would be steadied by another much slower but more ample flow so that a sudden stillness would result;

MOTORING



The BMW Alpina B9—a supercar which seats five

Families in fast lane

BY STUART MARSHALL

GROUND - HUGGING, mid-engined supercars look marvellous in magazines or exhibition halls, but the moment of truth comes when you actually want to use them in the real world.

Not long ago I had promised my wife that we would drive to Heathrow in a Lotus Turbo Esprit as a stimulating start to a weekend in Italy. In the end we had to use the family estate car instead. There was absolutely no way that two people and a moderately large suitcase would fit into the Lotus.

It would have been no problem at all with the BMW Alpina B9, which demonstrates that you don't have to be all squashed up to enjoy supercar performance. The B9 is made by Alpina, a small Bavarian company whose owner Burkhard Bovensiepen, says he builds the world's fastest family cars. It is essentially a BMW 5-series four-door saloon, with a 7-series 3.5-litre fuel-injected engine, tuned to produce 245 bhp instead of the standard 218 bhp, squeezed under the bonnet.

A top speed of 153 mph is claimed, as if that mattered. More to the point is that jet-like acceleration goes hand in hand with great refinement. At 80 mph there is hardly any rumble from the 50 series Pirelli P7 tyres, minimal wind noise and only a murmur from the engine, which is doing a mere 2,500 rpm.

Driver and front passenger sit on bottom-squeezing Recaro seats, which hold them in place on very fast corners. There is a lot of space for two (and three at a pinch) on the back bench. The boot is massive. Inside, the Alpina is black and functional, with not so much as a splinter of wood, real or ersatz, to be seen. Everything seems to be beautifully put together. A tall driver can't see the top right-hand segment (the fast end) of the speedometer and the digital clock is obstructed by the leather-bond wheel rim, but otherwise the driving position cannot be faulted.

It is not a car for the exhibitionist because, to the uninitiated, it looks like any other 5-series BMW. But for the serious long-distance driver who demands the very highest performance with comfort and near silence, the Alpina B9 is almost in a class of its own.

Cars sold in Britain—only 80 of them a year—are produced for Alpina by a large BMW dealer, Synter of Nottingham, which offers both the B9 and the 323i-based C1. Synter also markets Alpina parts and accessories, but a used BMW cannot be converted into an Alpina B9 or C1. The car has to be built up from scratch.

There are major modifications to the suspension; they cope with the added performance without affecting ride comfort, which is surprisingly good for a 50 series-tyred supercar. ABS anti-lock brakes are a standard fitting.

Although the five-speed manual B9 I tried a year ago was so flexible it could be driven through town in top, I preferred the two-pedal version I had this time. The ZF automatic slips into overdrive fourth at 55 mph-plus, eagerly dropping down into direct third at 80 or 90 mph at a prod of the toe. Prices are from £23,000 for the B9, £16,000 for the C1 depending on the specification. Fuel consumption? Reckon on 25 mpg, in Britain at any rate, ratther less on the autobahn.

Tolls war

IN ITS war against tolls on river crossings, the Royal Automobile Club should beware it does not shoot itself in the foot. The RAC calculates that wl £300m has been paid motorists to cross rivers estuaries by bridge or tun the outstanding debt is ne £500m. So the tolls should done away with altogether.

The French would not ag with this at all. Five time crossed the Loire estuary St Nazaire earlier this mo The cost of using a bridge looks like a plaything compa with the Humber Bridge £2.60 a time, £13 in all. autoroute from Calais to Cote d'Azur is around £22; Calais to St Nazaire the are about £10—plus the bri at £2.60 if you head into Vendee.

Are French motorists heavily taxed than we are? doubt it. Petrol costs £ (super), £2.06 (regular) gallon though diesel is £1.58. French car prices not much different from own (£4,300 for a Renault 5 compared with £4,500 here— that does not allow for heavy discounting).

Compared with the £2.6 the rate for at least three ye to my knowledge—for cros the Loire estuary, the 60p a for the Dartford Tunnel se not unreasonable to me, tho the ramshackle toll collec arrangements are anything reasonable. In fact, double existing Dartford Tunnel Severn Bridge, Humber Br and so on) tolls would b bargain in terms of time fuel saved, bearing in mind the motorways, unlike the routes, are free.

Might the Governme answer to the RAC not b double the tolls, in a bid to for the structures, rather do away with tolls altoget The financil case would s to be as least as strong as for abolition. What do rea feel?

BOOKS

Mew and Una

BY RACHEL BILLINGTON

Charlotte Mew and Her Friends
by Penelope Fitzgerald. Collins. £12.95. 240 pages

Una Troubridge: The Friend of Radclyffe Hall
by Richard Ormrod. Jonathan Cape. £10.95. 340 pages

Charlotte Mew and Una Troubridge are not equally obscure. Charlotte (1869 to 1928) was a writer and poet whose most famous collection, *The Farmer's Bride*, came into unfortunate competition with the Georgian Poetry edition which included Rupert Brooke's "The Soldier." Una (1887 to 1963) sculpted a bust of Nijinsky before running away from her Admiral husband to devote the rest of her life to a "grand amour."

Both women were homosexual — although Charlotte never achieved fulfilment whereas Una lived with "John" Radclyffe Hall of *The Well of Loneliness* notoriety. Comparisons being odious, it is nevertheless tempting to make the initial point that Charlotte, frustrated in her personal happiness, found an outlet and inspiration in her writing. Una, on the other hand, never drew, wrote, or painted, after she had found true love. Her biography is consequently far less interesting.

In 1915 Charlotte Mew was invited to Harold Monro's poetry bookshop where a poem of hers was to be read. As Penelope Fitzgerald describes it:

At about five minutes to six the swing doors opened and out of the autumn fog came a tiny figure, apparently a maiden aunt, dressed in a hard felt hat and a small-sized man's overcoat. She was asked, "Are you Charlotte Mew?" and replied, with a slight smile, "I am sorry to say I am."

This was no self-dramatisation for her life story reads like Victorian melodrama. Her father came from the Isle of Wight, marrying "above him" into the distinguished family of architects, Kendall. Unluckily, the distinctions did not include money so that the Mew family soon suffered under the need to keep up proper appearances without proper means.

Since Charlotte looked after her mother till a great age she was never able to throw off this handicap for the independence of the "new woman." Lodgers must be neither seen nor heard and the address must be respectable. This Victorian concern for appearance was probably encouraged by the secret family tragedy of inherited mental illness. Both a brother and sister were sent to asylums and Charlotte's most moving poems are on this subject. Two other siblings died, while young, leaving only Charlotte and her sister, Anne, to confront a life in which marriage and children were impossible.

A female friendship might, indeed, have seemed the answer but Charlotte's passionate nature was aroused only twice and both times the object of her affections was determinedly heterosexual and distinctly uncharmed by this evidence of "inversion." May Sinclair, a literary figure and patron of Charlotte's even made public the story of being jumped on by the poet. Charlotte did enjoy a few years of relative happiness when Thomas Hardy judged her as "Far and away the best living poet" and a second patron, Sydney Cockerell, successfully applied to Stanley Baldwin for her to be put on the Civil List, giving her £75 per annum. But the death of her mother and sister impelled her into a despair near enough to madness for her to voluntarily enter a nursing home where she poisoned herself. Her poetry lives in a Virago paperback edition at £5.50. There is not very much but whether lyric or narrative, it is moving, vivid and subtle in form. The prose, on the other hand, seems ludicrously overwritten to a modern ear.

The same must be said for the works of Una Troubridge's friend. Radclyffe Hall was certainly a popular success in her time but it is difficult now to understand how quite so many eminent writers were persuaded to speak up for *The Well of Loneliness* when it was prosecuted for being, according to the editor of the Daily Express, "the first outrage of the kind in the annals of English fiction." Perhaps they were responding to what Richard Ormrod describes as its "conscious moral purpose." Unfortunately his partisanship over-eggs the story of the life of a woman who, having escaped from the life of the little wife to a man, embraced it in the arms of a woman.

Charlotte Mew (left), 'John' Radclyffe Hall (centre) and Una Troubridge—women who made their marks in a man's world

Gissing now

A major novel about feminine independence, George Gissing's **The Odd Women** is now available in three different editions: from Virago at £3.95 with an introduction from Margaret Walters; from Norton at £2.75 edited by Marcia R. Fox, and from the New American Library at $3.25, edited by Elaine Showalter.

Other Gissing titles recently in paperback are the Dover editions of **Eve's Ransom** (£2.25) and of **In The Year of Jubilee** (£4.50) both from Constable: **Thyrza** edited by Jacob Korg (Harvester Press £5.95); **The Nether World** (Dent, £3.50) edited by Walter Allen: **The Whirlpool** (Hogarth Press £3.95) with an introduction by Gillian Tindall, and **New Grub Street** (Penguin £2.50) edited by Bernard Bergonzi.

Property men's era

BY RICHARD LAMBERT

The Two Tycoons: a personal memoir of Charles Clore and Jack Cotton
by Charles Gordon. Hamish Hamilton. £9.95. 242 pages

They were an unlikely pair, united only by their ability to make money. Jack Cotton, the brilliant property man, wearing the shiny blue suit and the genial smile of a successful showman. Charles Clore, with his cold eyes and his iron will: a man who expected the worst of people and was rarely surprised.

Almost forgotten today, their business partnership was the subject of national interest in the early 1960s. Featuring in the gossip columns as frequently as the financial pages, they were everyone's idea of successful tycoonery. For a brief period, the names of Cotton and Clore went together almost like Marks and Spencer.

They are the subject of Charles Gordon's fascinating memoir, a book which succeeds on several fronts. For one thing, it gives a real insider's account of a financial drama. Gordon acted as financial consultant to the two tycoons; he was to go through the fire himself a decade later when Spey Investments, the investment group which he founded, ran into trouble.

Charles Clore dominates the story. All his business life, says Gordon, Clore searched for the truth, and when he found it he went ahead with quiet ferocity no matter what effect his action might have on others. He was relentless in the pursuit of money and women, and would not let anything stand in his way. As Gordon writes:

Ruthless simplification was the hallmark of his life and business; no overtones, no undertones, no fibbing, no ploys, no diplomacy—just say it, do it, and get it.

Cotton was a far more attractive figure, but his approach to business, based on flair and instinct, was abhorrent to the orderly-minded Clore. When it came to identifying and exploiting a property development, he had no equal. But he had no idea about how to manage a large and expanding enterprise. "Clore only understands balance sheets," he once commented bitterly. "He doesn't understand property."

The amazing thing is that anyone could have thought that their merger would work in the first place. Gordon shows how casually the link-up was arranged, and his picture of corporate life in general is not exactly inspiring. In particular, it seems that in the heady months which followed the merger, the main players were quite simply swept away by the sheer, overpowering smell of money filtering out from the Renoirs, the Fantin-Latours and the Chippendale board-tables.

It was a time when bowler hats and collar-studs were still commonplace in the City — a place which remained Victorian in the way management treated its staff, and staff treated their jobs. It was a time when tycoons lived in the Dorchester Hotel and purred out to their country estates at the weekend: the red rose in Cotton's buttonhole would have been specially brought to London that morning by a chauffeur from the gardens in Marlow.

And in the world of property, it was a time when two investment phenomena came together to create what seemed like a prospect of limitless prosperity. On the one hand, huge sums of money were cascading into the nation's rapidly growing pension funds. On the other, the simple innovation of the regular rent review was turning bricks and mortar into that appeared to be the ideal receptacle for these funds.

The Two Tycoons captures the spirit of the period with wit and elegance. Gordon has a nice line in self-deprecatory humour ("Clore was right about me: I was not as clever as I thought I was. I never have been."). He is also capable of deft knifework. His portrait of Walter Flack, the man who played a key role in the downfall of Cotton, is viciously unflattering.

At the end of the story one is left to ask what the two main characters created of enduring value. There is a collection of buildings, mostly ugly. There is Sears, the public company assembled by Clore, which is large and successful but which ran out of dynamic thrust well before his death in 1979. It is a curious fact that for all their wheeling and dealing, their names are probably best known to the general public these days through their connection with some of the better exhibits in the London Zoo.

'Croydon with palm-trees'

BY DUNCAN CAMPBELL-SMITH

The Merchants: The Big Business Families of Arabia
by Michael Field. John Murray. *£16.00. 371 pages*

Clogs to clogs in three generations would take some doing in the modern Arab world. The Gulf region, in particular, now teems with men as rich as Croesus, whose fortunes would be hard to dissipate in a single lifetime.

Profligate sons with aspirations in this direction, anyway, have to contend in Arabian society with extended family networks. These have usually ensured in the past that fortunes won are fortunes retained, in one part of the family or another. And since the rich get richer in the Gulf much as elsewhere, a surprising number of families which established themselves in earlier decades have used the oil boom of the 1970s to consolidate their wealth.

Indeed, it is remarkable how many of the powerful names in the business circles of Saudi Arabia and its Gulf neighbours have well-known histories going back to the pre-war years and very often a lot further. Well-known, that is, within their own relatively small and tightly-knit communities — but generally neglected by the mass of introductions to the region published in recent years.

The neglect is easily explained: these are personal histories in an intensely private world. It is one measure of Michael Field's achievement that years of research and travel have enabled him to step inside that world. As a result, *The Merchants* is far more than a superior Middle Eastern Who's Who for businessmen or even just a collection of a dozen or so of the most spectacular tales of rags-to-riches in modern times—though it is certainly both these things. It is a book which more than most others of its kind can help the reader make sense of the present day Gulf by appreciating just how much the area has been shaped by its trading and colonial past.

Field shows exactly how fortunes once dependent on pearls, trading dhows and the rising House of Saud came increasingly to rely on import agency agreements, supply contracts with the Western oil companies and continued friendship with the ascendant House of Saud.

In the process, as FT readers will know from extracts published in recent weeks, the book also includes chapters on more general aspects of the region. There is an unsentimental description of Gulf society as it strikes many expatriates — "like Croydon with palm trees"—and there are useful accounts, which might have been longer perhaps, of the prevailing commercial attitudes. And if you want to know how long the average Japanese car lasts in Abu Dhabi or which Western cigarettes are called Al Bin Alis in Qatar and why the author's appetite for detail will not disappoint.

Field writes about the contracts and relationships, the commission arrangements and ties of influence with a deadpan style which lets the story of modern Arabia speak for itself. This is generally a strength of the book, though there are passages which cry out for less impartial treatment. The casual reader, for example, might well let a $600m commission payment to one royal prince slip past with no more pause for thought than had the individual won a mere $4m at roulette.

Some of the book's more basic assumptions, too, are left for others to debate in the future. One might legitimately ask, for example, how many of the big business families of Arabia really deserve the title of merchant at all. At few other moments in human history, after all, can such a small economic group have done so well simply by being in the right place, to put it mildly, at the right time. But Field's account of that group's adjustment should remain invaluable as long as there are questions to be answered about the whole extraordinary story.

What went wrong in Rhodesia

BY ANTHONY VERRIER

The Welensky Papers: A History of the Federation of Rhodesia and Nyasaland
by J. R. T. Wood. Rex Collings, £15.00. 1,330 pages

Dr Wood was the Ernest Oppenheimer Research Fellow at the University of Rhodesia (Zimbabwe) from 1970 to 1981. Born in Bulawayo, educated in South Africa, he spent these 11 years investigating Sir Roy Welensky's Papers, now in the Bodleian. The result is an account of the Federations' life (1953 to 1963) which is unlikely to be surpassed for fidelity to the material used and loyalty to a cause in which Dr Wood clearly believed—a "multi-racial" independent state, where white and black would have met on, approximately, equal terms but where the latter would only have acquired political power in some indefinite future.

Despite the undoubted value of Dr Wood's contribution to recent history his account is deficient in three crucial respects. He has ignored the Public Record Office, which would have told him why British governments opted for Federation. He has interviewed Harold Macmillan and his ministers but not the key officials who, as Lord Blake implies in his masterly Introduction, really make policy. This deficiency applies with particular force to those in the intelligence and security services, in London and on the ground, who prepared moderate pro-British African nationalists for the responsibilities—and perils—of independence.

Finally, although Dr Wood refers extensively to African leaders in his text, he mentions only *three*—one a research assistant—in his extensive acknowledgements. After reading his account one cannot avoid stating that the author apparently shares a widespread conviction, habitually expressed by Sir Roy and his colleagues, that Africans were not a political force in their own right, and that the more "extreme" of them represented only their own interests. It was just this myopia which destroyed Federation.

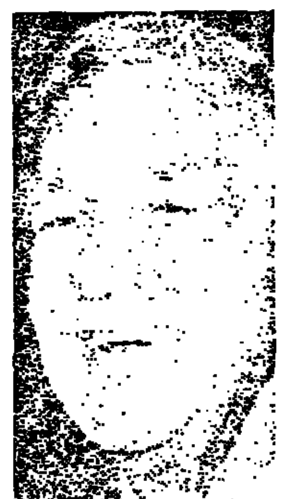
Thus Dr Wood, for all his industry, has written an account of a unique political experiment which is as parochial as, in outlook, British governments always found Federal and Southern Rhodesian whites to be. Dr Wood claims that Welensky (Federal Prime Minister, 1957 to 1963), and certainly in courage, honesty, and singular belief in Federation far above the ruck of politicians, "laid a foundation of friendship which would serve the federal cause well." Except in occasional personal terms, Welensky laid no such foundation with British politicians, nor did he understand their aims, objectives, and methods relating to Southern Africa before and during the years in question.

The Attlee, Churchill and Macmillan governments tried to propitiate a nationalist, Afrikaner South Africa, whose gold and uranium were, before and throughout Federation, lynchpins of Britain's economy and nuclear weapons programme. These governments, eventually and reluctantly, accepted the inevitability of independence for African dependencies: the Macmillan Government, after "Suez" in 1956—in the belated realisation—all too belatedly conveyed to an uncomprehending Welensky—that strategic assets were waning, hastened the independence process by backing, on official advice, Hastings Banda in Nyasaland and, second choice, Kenneth Kaunda in Northern Rhodesia.

In attempting to square these circles British governments needed the understanding and co-operation of Federal governments. Above all, the latter, for their survival, needed to advance African interests far and fast enough to contain what, in the 1950's and 1960's, was a rather tepid nationalism, however antagonistic to a Federation dominated by Southern Rhodesia. Sir Godfrey Huggins (Lord Malvern), Federal Prime Minister between 1953 and 1957, had no intention of departing from the racial formula "horse and rider"—black horse, white rider. Welensky, although no bigot, lacked the skill to manoeuvre Southern Rhodesians in his Cabinet, and helped his own downfall not only by violently protesting at Macmillan's backing for Banda but in opposing constitutional advance in Northern Rhodesia.

Welensky was thus the victim of his honesty. He saw that the circle could not be squared. Welensky believed the Federation could only survive, whatever gestures were made to Africans, if whites continued to exercise power throughout it: dominant in Southern Rhodesia; keeping Banda in prison (unconstitutionally) in Southern Rhodesia after violence in Nyasaland during 1959; denying Africans more than parity in, the Northern Rhodesia Legislative Council. Welensky believed that when Macmillan and his principal colleagues (Iain Macleod, Duncan Sandys, Lord Home, R.A. Butler) saw matters his way they would support him. Welensky was wrong not because these men were, in his words, "a gutless lot of B's." nor because Macmillan, in particular, was "as soft as butter, as sharp as a razor," but because they simply lacked the means to support him.

Huggins had grasped Britain's lack of real power to act coercively in the Federal interest as early as 1956, when he made a premature bid for independence. Welensky was provided with plenty of nods and winks by Macmillan in January 1960, shortly before the latter's "Wind of Change" speech in Cape Town, that if Nyasaland and Northern Rhodesia "seceded" from Federation, South Rhodesia would become independent—a hint given specific form by Butler in April 1963 in a "Secret and Personal" message to the latter territory's premier Winston Field — but oddly missing from Dr Wood's otherwise exhaustive account. Welensky ignored, or failed to hear, these hints.



Welensky: victim of his own honesty

Did British governments — and Macmillan in person — deceive Welensky and his colleagues? A zealot for white interests will find plenty of evidence in these 1,330 pages and elsewhere in the Welensky Papers that Macmillan was especially deceitful. Above all, there is a quite extraordinary letter of Macmillan's to Welensky, dated 26 November 1959 — "Top Secret and Personal" but not quoted direct by Dr Wood — in which he specifically states that secession would not be considered in the forthcoming "Monckton" Federal Constitutional Review when in fact, this was just what the British Government had resigned itself to.

But, arguably, deceit is in the nature of politics, inseparable from the policies of governments who must make bricks without straw. Welensky, from one point of view, should have had his wits about him. From another aspect, it could he said that he is the one man to emerge with much credit from a decade of fumbling de-colonisation.

London pride

BY CLIVE WOLMAN

The Art and Architecture of London
by Ann Saunders. Phaidon, £22.00. 480 pages

The Building of London from the Conquest to the Great Fire
by John Schofield. British Museum Publications, £12.95, 190 pages

Ann Saunders presents the explorer of London with a dilemma. On the one hand, she presents such a mass of detail about London's lesser known sites, particularly in the suburbs, that her book must impossible to read at home, before or after a visit, and to memorise sufficient to link up the reading with the seeing.

On the other hand, the book is too heavy and too expensive to expose to London's rains and mud, especially as much time has to be spent flicking about in search of the correct page. The four thematic indices at the back are comprehensive but descriptions of the individual buildings and sites cannot easily be spotted amid the mass of print nor can they be related to routes on the maps. Large photographs of buildings appear, such as the bizarre Michelin House in Fulham Road or, mystifying, a drab back street by Charing Cross, with no text to explain them.

enthusiasm and ability to uncover interesting buildings and unusual sites in even the darkest and most dreary inner London districts. No less than 11 churches, houses, public buildings and a cemetry are described in Stoke Newington and another five in central Lewisham plus a brook creating "a curiously rural air."

John Schofield's book deals mainly with buildings which can no longer be viewed. But it is brought to life by fine drawings, photographs and maps and the use of recent archaeological discoveries. However, it should perhaps have been called "The Buildings of London" (in the plural) as it does little to explain the underlying social and economic forces which led

Fateful couple

BY ERIK DE MAUNY

Victims at Sarajevo: The Romance and Tragedy of Franz Ferdinand and Sophie
by Gordon Brook-Shepherd. Harvill Press. £10.95. 301 pages

Every schoolboy has been taught that it was the assassination of the Archduke Franz Ferdinand in Sarajevo on June 28 1914 that triggered off the First World War. But "the shot heard round the world" has been recorded in so many histories of the war that it is difficult to see how anything fresh can be said about the event itself. In fact, in this moving biography of the two victims, Gordon Brook-Shepherd has triumphantly succeeded in proving the contrary.

Through painstaking research, he has unearthed a mass of details which, if perhaps well known to specialist historians of the period, must surely be unfamiliar to the general reader. As a result, his final chapters, retracing the complex moves leading up to the moment when Gavrilo Princip fired the fatal shots, have a heart-stopping intensity.

Beginning with the question of Cleopatra's nose, history is, of course, strewn with "ifs": but rarely can they have massed into such a fateful conjuncture as at Sarajevo. If only the Archduke had obeyed his original instinct to leave Sarajevo a day earlier than planned; if only the conspirators had bungled more than they actually did: if only . . .

For the rest, *Victims at Sarajevo* reads like an extended melancholy footnote to the final decline and fall of the Austro-Hungarian Empire. The uxorious Franz Ferdinand was not really the stuff of which heroes are made. He was, of course, intensely loyal to his dynasty, a competent military commander who also did much to encourage the expansion of

than most of his contemporaries in his perception of international realities (he was almost alone, for example, in insisting that a stable balance in Europe could be preserved only if the Dual Monarchy sought a close and friendly relationship with Russia). But beyond the inevitable pomp of his imperial role, what he really cherished was a life of quiet domesticity, devoted to his wife, his children, to traditional country pursuits (he was a particularly fine shot), and to cultivating the great rose-gardens at his country estate at Konopischt.

The person one feels most sorry for is his wife, the former Countess Sophie Chotek. She came from an old and distinguished Bohemian family, but was far from exalted enough in rank to enter the tiny magic circle of those considered eligible to marry into the ruling House of Habsburg. Franz Ferdinand had to fight long and hard to win the grudging assent of the Emperor Franz Joseph (the family had had its share of disasters, and the old Emperor, haunted by the deaths of the Crown Prince Rudolph and his young mistress, Marie Vetsera, at Mayerling, may have been swayed by the thought that his refusal might lead to a similar tragedy), and for years after their morganatic marriage, Sophie was still forced to play a subordinate role. From his account, she must have been an enchanting woman: "though not a classical beauty, (she) was handsome, wholesome, womanly, yet strikingly dignified."

The tragic irony of Sarajevo is that, when she met her death there at Franz Ferdinand's side, she had at last achieved the position that was rightfully hers within the now-doomed court.

Crimes

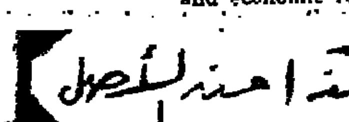
BY WILLIAM WEAVER

Brown's Requiem by James Ellroy. Allison and Busby, £7.95. 256 pages

A first novel. Originally, it appeared in the States, as a paperback (and was awarded a prize as an auspicious debut). It betrays its origins, in a blood-thirst at times excessive: and in an out-of-the-side-of-the-mouth California dialogue that has a family-tree by now as branched and rooted as the Salisburys'. Still, it is an often brilliant performance. The author is not afraid to indulge in digressions (the narrator has an entirely extraneous, but pleasant alcoholic friend), and—incredible as this may sound—he offers a thorough exploration of a confined society (that of golf caddies) that he makes not only

The Killing Doll by Ruth Rendell. Hutchinson, £7.95, 237 pages

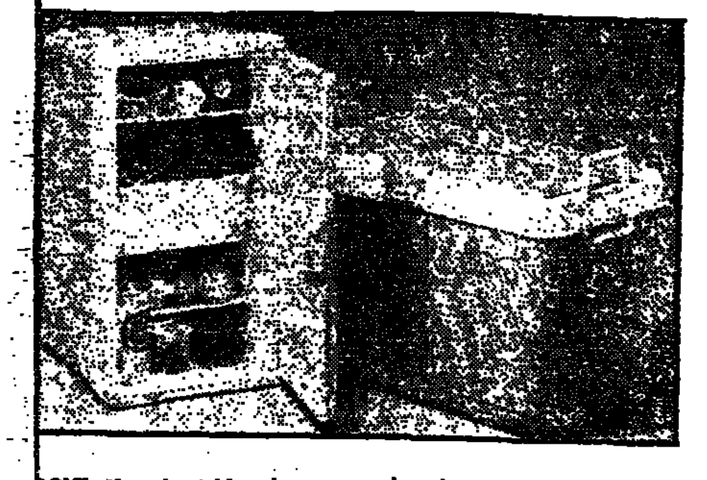
More of Ruth Rendel's wierdos. This time, they live—as often before—in a peripheral, declining suburban London. The main family consists of a widower, his semi-recluse daughter, and his son, known as Pup. In their huge, ramshackle house they have space and time to follow their private fancies, which range from magic to historical novels (reading and writing thereof). Spiritualism, Irish terrorism, homosexuality are further elements. The novel, as one would expect of this writer is extremely accomplished. At the same time, there is a pervading



HOW TO SPEND IT

by Lucia van der Post

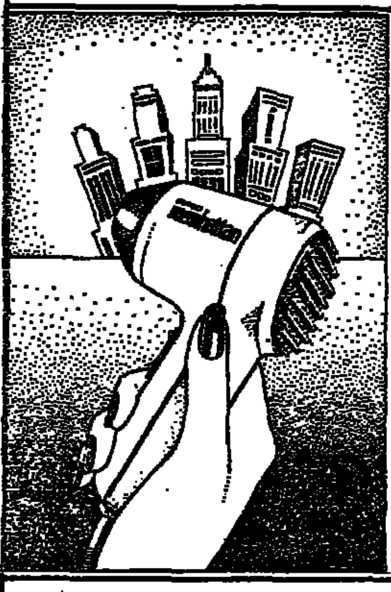
Summer sights and sounds

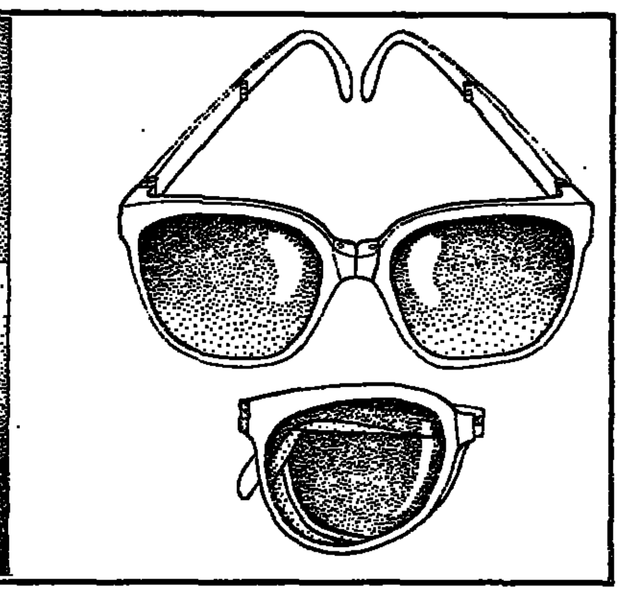


ABOVE: If you're taking the car and heading for the bright blue yonder where there are no crowds, no queues and therefore probably no civilised comforts either, you could very likely do with a fully portable coolbox. It isn't as cold as a fridge but it is made of tough insulating polypropylene with polyurethane foam between the walls. When combined with pre-frozen "Freez" packs it will keep food and drinks cool and fresh for well over 24 hours, even when the temperature rises above 32 deg centigrade.

Its particular usefulness is that it can be used either as a conventional chest-shaped box or stood on one end (see photograph) and used as a cabinet with a front door opening. There are shelves and fitments which make it relatively easy to keep the food in order. Made by Camping Gaz, it has a 45 litre capacity and costs £35.95 from most camping stores.

ABOVE: If the younger set drive you mad with their interminable music turned up loud buy them a Philips Jogmate (or alternatively if you can't bear to miss your favourite radio programme whilst jogging, playing tennis or simply travelling, buy it for yourself). Incorporated into a bright yellow sweatband is a tiny radio, measuring just 6 cm by 4 cm. Complete with minute earphones, it has only medium-wave frequency and is powered by two 1.5 volt batteries. Widely available from most stores, including audio branches of Boots, it costs £9.95.

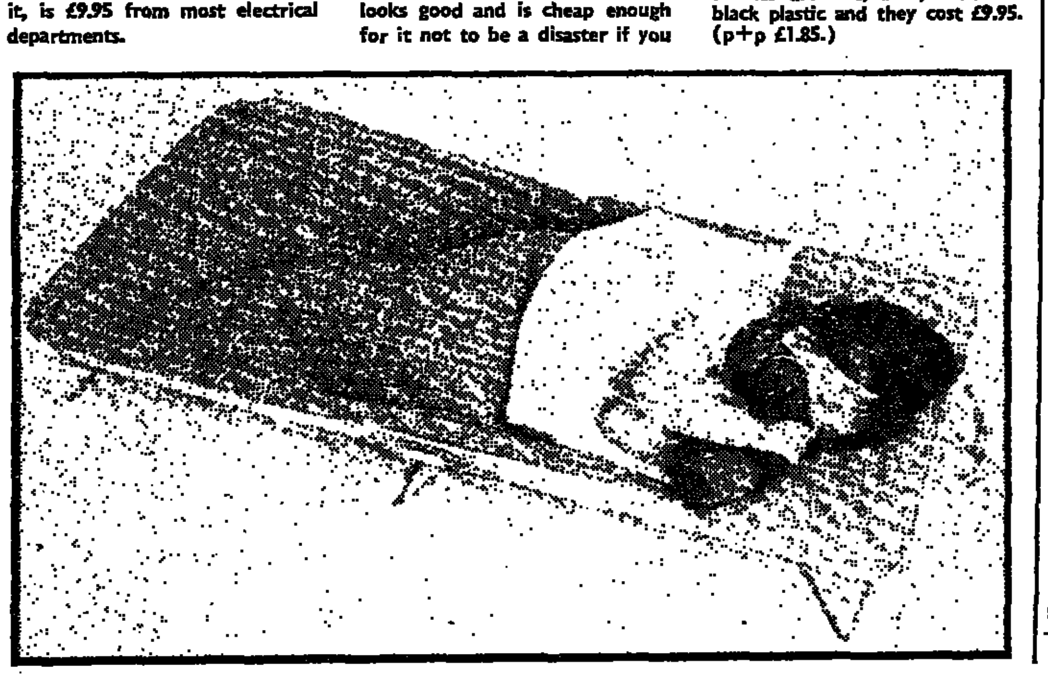




Drawings: Clare Brocks

ABOVE LEFT: A small but sturdy hairdryer, small enough to pack easily for travelling but sturdy enough to be used everyday. It is dual-voltage and two settings 1000 watts of drying power for thicker, longer hair and a lower 500 watt setting for fine hair. Complete with its own travel case, the Manhattan, as Pifco, its maker has christened it, is £9.95 from most electrical departments.

ABOVE: If you don't believe in paying the sort of prices that designer sunglasses go for and want something that packs easily, looks good and is cheap enough for it not to be a disaster if you lose them, go for these fold-up sunglasses made by Gay Designs for Way In at Harrods of Knightsbridge, London SW1. Frames are red, blue, white or black plastic and they cost £9.95. (p+p £1.85.)



RIGHT: One of the neatest, lightest fold-up camping beds that we've come across. Designed with children from about the age of three to eight in mind, it comes with mattress, pillow and a warm quilted cover all integrated within the frame itself. It folds in two and fastens with a stud on the top. Attached padded handles then make it a simple matter to carry. The fabric used is 100 per cent cotton and it can be detached from the frame for washing. The pillow is foam-filled and sewn to the mattress head while the cover zips over the top rather like a sleeping bag. Anybody taking small children camping or for weekends to friends houses would find it invaluable. £36.20 (including p+p). from Baby Trance, PO Box 41, Sutton Coldfield, West Midlands.

Food for fitness

● COOKING ● JULIE HAMILTON ●

WHEREVER I go I notice that tastes in food are changing. Is it because one is getting older, or is it because we have become a nation obsessed with our health? Whatever the cause, many of us seem to be veering away from red meat and rich, fat-laden foods in favour of meals starring fish and vegetables.

Though we may all be agreed that this is a healthier, more nutritious way to eat, it isn't always easy to change the cooking habits of a lifetime. So for those who would like to follow expert opinion about what constitutes healthy eating but still believe that meals should be a pleasurable experience, I have some ideas and suggestions to put forward this week.

Undoubtedly the biggest problem is cutting down on fat. Fat needs to be reduced in our diet not because we are weight conscious but because, as I understand it, saturated fat upsets the cholestrol balance in the body and contributes considerably to the risk of heart disease. The saturated fats that should be greatly reduced and even eliminated whenever possible are all animal fats, present in all meats, butter, cream, certain vegetable oils and margarines.

Olive oil, corn oil, soya oil and sunflower seed oil are unsaturated fats and do not cause the same damage to the system.

Salad dressing: the first rule is to alter the ratio of oil to vinegar. Instead of the usual five oil to one vinegar or lemon, simply reverse it, but be sure to use a really good first pressing olive oil.

If you find the vinegar too strong, just dilute it to taste with a little water. Increase the mustard, perhaps using a milder French variety to give extra body to a vinaigrette dressing. I have recently served salads to my family dressed only with lemon, mild French mustard, salt, pepper, a little sugar and fresh dill. No one except me noticed.

Yogurt now comes into its own. It can be used in many ways to reduce the richness (calories) in sauces and it makes wonderful dressings for salads. It is important to find really good yogurt, and in my opinion the best is home made. I have a Pifco yogurt maker which makes three pints. I use UHT full cream milk or 50-50 skimmed and full cream, and it is delicious. If you do not want to make your own then try to find a thickset yogurt (Sainsbury does a very good one). I think the flavour and texture are far superior to the runnier, low fat variety.

Yogurt-based salad dressing suggestions: mix together some tomato purée, vinegar, a little sugar, salt, pepper and plenty of finely chopped garlic or chives or spring onions or capers or gherkins and stir it into two or three times the quantity of yogurt. A dill sauce will complement fish, be wonderful with new potatoes and make an excellent salad dressing. Mix one part soured cream to two parts of yogurt, flavour with mild French mustard, a generous sprinkling of sugar, salt, pepper and fresh dill finely chopped.

Halve the richness of mayonnaise by using 50-50 yogurt and mayonnaise. Use this mixture as a basis for any of the sauces that call for a mayonnaise base. Should you wish to use yogurt instead of cream in cooking, prevent it separating by adding a little cornflour to it before stirring it into the dish.

A combination of cottage cheese and yogurt (roughly a four to six ratio) liquidised in a blender and flavoured with lemon juice will give you the next best thing to the fromage blanc, so frequently suggested in Cuisine Minceur recipes and very hard to find here. It can also be used with a spoonful of mayonnaise and wine vinegar added to it as a normal mayonnaise. If it is too thick, thin it with some natural yogurt. Dress a combination of black-eye beans, celery, diced cucumber, chick peas and fresh coriander leaves with it. Or, flavoured with curry, mix it with cooked rice, add chopped, cooked chicken and chunks of pineapple and sprinkle with toasted sesame seeds. Serve cold.

How about lovely young courgettes, blanched for a minute or two, slit in half lengthways and the seed pulp scooped out, the cavity painted with lemon juice then filled with thick yogurt into which you have beaten one egg white or one whole egg, some crushed rosemary needles, a drop or two of honey, a pinch of salt and lots of black pepper?

Place in a gratin dish and bake in a slowish oven at gas mark 3 or 4 (325 or 350F) for about 20 or 30 minutes. Serve either warm or cold rather than piping hot.

When it comes to desserts, the cutting out of, or down on cream can be achieved in a number of different ways. Where cream is really essential to the dish, combine it 50:50 with a thick mild yogurt, again preferably home made. Where cream is not essential try substituting wine, or the juice or puree of a complementing fruit. For example, strawberries in orange juice or strawberries with pureed (sieved) raspberries.

Any fruit salad to which wine has been added should not need cream, but if you want to serve something special with it try whisking together four tablespoons of cream and six of thick yogurt until the mixture is light and foamy. Then pile it into a bowl, sprinkle with soft dark brown sugar and chill.

Small round melons seem to be in abundance just now. Take one per person, cut off the top and carefully scoop out seeds and seed pulp, then continue to scoop out the m[elon] flesh in thin slivers, combi[ne] with slivers of fresh mango some sweet red and w[hite] currants. Sweeten to tast[e if] necessary and combine wi[th a] 50-50 mixture of low fat cheese and cream, add a freshly grated ginger and the melon cases, put the on and chill before servin[g].

The classic English sum[mer] pudding is, of course, very on the healthy eating char[t] contains no fat at all and can cut the sugar down minimum and even use w[holemeal] bread if you like. S[ome]times I add a little gelati[ne to] the fruit which helps it together while serving and rather a nice texture to pudding.

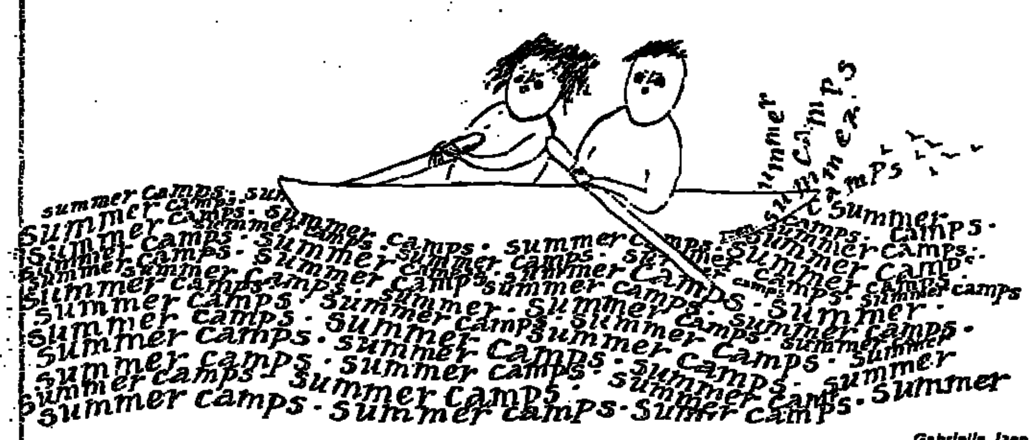
SUMMER PUDDING
serves 6 or 8

½ lb red and white curra[nts]; ½ lb black currants; ½ lb r[asp]berries; ½ lb loganberries; strawberries; ½ lb cherrie[s;] blueberries or even bl[ack]berries if you have any; eight or nine slices of br[own] bread about ½ inch thick the crusts removed; 1 t[ea]spoon honey or 2 tablesp[oons] caster sugar; 1 sachet gela[tine] (optional).

Place all the fruit in a pan (not aluminium or iron) with the honey or and cook very gently for long enough to soften the and cause the juices to run or three minutes). sprinkle over the gelatine stir it in carefully, trying crush the fruit too much.

Line a two-pint pudding with three-quarters of the cut to shape, making sur[e] the surfaces are compl[etely] covered and the bottom h[as an] extra thick layer. Pour or in the fruit and all the except a couple of tablesp[oons] (which it is wise to kee[p in] reserve in case not all the is coloured by the fruit you turn it out) and thoroughly with the rema[ining] bread, pressing it well with a suitable saucepan plate that will fit inside rim of the basin and weig[ht]. Chill for 10 to 12 hours b[efore] serving with whipped crean yogurt as described abov[e].

In my next article I continue the theme of he[althy] and yet still enjoyable e[ating]. I have an uphill task in of me, trying to persuad[e my] husband that fish can be as delicious (or even bett[er in] my view) as meat, is far in fat and does not co[ntain] saturated fat at all.



Gabriella Izen

Give yourself a break

THE school holidays are now here and if you're desperate and your children are already beginning to run out of things to do don't despair—children in Britain are at last being offered the kind of summer camp activities that Americans have known for generations. Though some of the smaller organisations do report that they are fully booked, here is a list of some of the camps that still have places to offer.

Whether your child wants to learn to sail, to glide, to act, to play tennis or just generally muck about and make friends, somebody, somewhere is willing to make it possible—for a price. If you do still want to book, the best advice is to hurry—there are still places but they're being taken up fast.

PGL YOUNG ADVENTURE is probably the oldest established and certainly offers one of the most diverse programmes. For working mothers in London and the south-east it is worth noting that there are now day camps catering for children from six-15 years old and you can choose between play camps, computer camps, soccer camps and a whole host of other activities. Prices vary depending upon the course but they start at £59 for one week. To book ring Julie Egerton on 01-741 8541.

Residential courses are held in public schools all over the British Isles, as well as France. Among other activities, choose from windsurfing, football, judo, detective games of all sorts. To book phone PGL on 0989 67681.

CAMP BEAUMONT also offers both day and residential camps and you should ring Catherine Wiley on 01 870 9866 to check exactly what is still available. There are six day camps (at Mill Hill, in North London, Brentwood in Essex, Coombe Bank in Kent, St John Beaumont in Windsor, Charterhouse and Stoke Brunswick in East Grinstead) and children are collected from a fixed point in the morning and delivered back in the evening.

For working parents there are five-day sleepaway camps which run from Sunday afternoons to Friday evenings as well as full residential courses from Saturday to Saturday. Children can choose from acting, computer and technology courses and sports.

MINERVA OUTDOOR VENTURES offer outdoor activities like climbing, canoeing, pony trekking and abseiling in the Brecon Beacons in Wales. Prices start at £126.50 for a week and the activities are aimed at nine to 18-year-olds. Ring 0639 730 488 for a brochure and booking form.

CAMP ALDENHAM, based near Radlett in Hertfordshire, offers a basic multi-activity camp for £79 for a week's non-residential stay, but for an extra £20 your child can have extra tuition in computers or micro-electronics. Ring Radlett 7553 for a booking form and details.

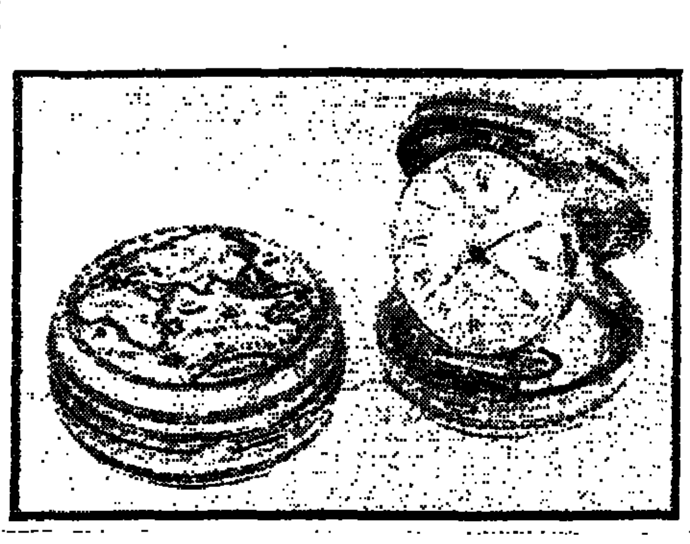
ENSCOTE LAWN is in Warwick, virtually next door to the castle, and might appeal to would-be David Leans? besides supplying the usual multi-activity courses and additional classes in computing it offers one in film-making (for an extra £10). It is fully residential and takes children from eight to 14. Ring Paul Russell on 0926 491961 for details.

VALE VENTURE CAMP is at Kingshott School in Hertfordshire or at Corpthorne School in Worcestersnire. It might appeal especially to shyer children as it prides itself on having smaller numbers than most of the others—never more than 40 children in a week. The children camp in the grounds of the school—ring Hertford 551113 for details.

YOUNG LEISURE ACTIVITY HOLIDAYS are held at Selsted in Essex, Tonbridge Wells in Kent, Great Chart in Kent and Cobham Hall near Rochester in Kent. You can choose from golf, canoeing, computing, riding, theatre, tennis, swimming, athletics, cricket, pottery and short tennis. For a brochure and details ring Liz Higginson on 0892 31504.

A capital venture

READERS who work in the City of London and somehow never seem able to make it to the West End will be delighted to know that Halcyon Days, that jewel of a shop at 14, Brook Street, London W1, has opened a branch at 4, Royal Exchange, London EC3, hardly a stone's throw from the Bank of England. It is smaller than the one at Brook Street, but will sell the same exquisitely charming Bilston enamels, the commemorative eggs and boxes, the sweetly pretty pens and clocks, photograph frames and magnifying glasses, as well as a selection of antique treen, antique enamel boxes, papier mâché and tôle. Just the place for perfect presents.



Most readers will know by now that it was Susan Benjamin, founder and owner of Halcyon Days, who, in 1970, began to revive the 18th century art of enamelling on copper. Once it had flourished in places like Bilston and Battersea but until Susan Benjamin came along it had been unpractised for over 100 years.

Susan Benjamin has always been concerned to ally the traditional techniques with designs from contemporary artists and recently she held a design competition in association with the Design Council and House and Garden magazine to create new interest in the art. Photographed top left are three of the winning designs—the circular box is embellished with "Indian Garden," a delicate design by Joanna Veevers. Made in an edition of just 250, each is £65.

The rectangular box has been been decorated by a brightly coloured abstract design "Feathers" by Victoria Clarke, and these too are sold in limited editions of 250 at £125 each. Finally, one of the most desirable of ball-point pens, one enlivened by a design by Susan Edwards, which she calls "The Parrot Pen." They are £27.50 each. (All available by mail.)

Typical of the Halcyon Days charming way with essential everyday items is this compact folding travelling clock—it has a quartz movement, tells the time (of course) and the day, and is embellished with hand-enamelled map of the world; £140 (personal shoppers and by mail).

in Next week's F[T]

The Management Page intervie[ws] the new principal of the Lond[on] Business School

See the Technology Page for—
Lasers in the operating theatre
and
Why Scientists are building gi[ant] hoops in Wales

On the Arts Page—
Michael Coveney reviews The W[...] of the World/Chichester Festival Theatre
Max Loppert reviews
A Midsummer Night's Dream/ Glyndebourne

THE ARTS

Happy holidays

Everyone introduces a holi-
? quality into the pro-
ammes at holiday time, even
idio 3, which is giving brass
nd music after lunch on
ondays, with compositions by
rcy Fletcher and Gordon
cob and so on. So far, my
iday trips haven't left me
ich invigorated, but then I
n't think you're really meant
listen to such things, just
erhear them.

I started on Sunday with *The umbleweeds* on Radio 2, when ore serious people were deep the last half-hour of *Colour pplement*. (If they were, ey can get *The Grumbleweeds* Friday.) The programme is etty well what you would duce from the title. Five eerful young people make ces that sometimes take a *tle too long working up to* stify the predictable, and not vays hilarious, punchlines. ey clearly live in a world of dio rather than a world of

RADIO

B. A. YOUNG

il life, where people called umbleweed might be countered any day at the st Office.

On the next day, with *Radio tive* on Radio 4. This is pretty ll another version of the same ng, but a touch more con-ously clever, with almost irical references, not to real ., of course, but to radio. This ek's target was basically *on Your Way*, but was quite able of veering off into *The thers* or local radio without *nging gear*. I thought the es were a little better. ere's a certain feeling of Foot-its about it. *Radio Active* has epeat on Fridays, too. Gosh, at a day that is.

Holidays again on Radio 2 on esday, holidays for old people a "lightweight nostalgia quiz ering 60 years of radio." art from Sue McGregor of man's Hour, the participants st have had 60 years of radio h—Norman Painting, Brian nston, David Jacobs. So the stions they were asked can't e been very hard for them, they answered them, or not, without any of the ten-1 you get, in some magic ,, from programmes like *in of Britain* (which was ilable for comparison on dio 4 a couple of hours r).

Ien Sent to Lie Abroad is ut diplomacy, as the title quotation from poet and ambassador Sir Henry Wotton suggests. The first of the series, on Radio 4 on Thursday, dealt with the relations between the courts of Queen Elizabeth I and King Philip II of Spain, in an age when the power of ambassadors was at its height. The theme of the programme, written and introduced by Derek Wilson, was "the diplomat as spy," and there's no doubt that in the days before MI5 one of the chief functions of an ambassador was to learn and disseminate intelligence. The series is not to be a critical one, like Hugo Young's programmes *No Minister* and so on, *but a historical-tragical-*political-diplomatic series; and if they are all as interesting and exciting as this first programme, they should be good.

One thing the programme demonstrated clearly was the decline of influence wielded by ambassadors. Spanish ambassadors crafted the Babington plot to assassinate Elizabeth and replace her with Mary Queen of Scots. When that failed, we had the diplomatic Armada. Today, about the most influential thing an ambassador can do is to be withdrawn.

In The World this Weekend last Sunday I heard a story about drilling for oil in Poole Harbour, so I naturally listened to the play called *Poole Harbour* on Radio 4 on Tuesday *afternoon, and although it* had nothing to do with oil, how very glad I was to have heard it. It was by Peter Terson, whom one remembers for *Zigger Zagger* and other plays *that he wrote for the National* Youth Theatre. Here he is back in his old vein of the sympathetic treatment of bad boys.

Really I suppose this was just a goody-goody, improving tale, and its climatic line, "You are not in tune with nature till you stop telling lies," sounds awful if you isloate it like that. But the story of a delinquent teenager on holiday with his mates from a home for boys in care, his relationship with his sensible, affectionate, unsympathetic House Mother, and his adventure with a fisherman who rescues him from a quicksand was written with such knowledge and understanding that I thought it a little masterpiece.

It was played uncommonly *ably under Shaun MacLoughlin's* direction. Thomas Henderson, with a still unbroken voice, gave a performance as the boy that many adult players might envy. Maggie McCarthy was the House Mother and Timothy Bateson the fisherman. The final scene left me in floods of tears.

Summer chorus

"When trouble troubles you, the only thing to do is dance—you simply gotta dance," goes the lyric in *The Boy Friend*, the latest musical revival in London and not the last by a long chalk if these spring and summer months are anything to go by.

Tonight in the West End you can take your pick from 13 musical shows, ranging from *Guys and Dolls* at the National Theatre to Russ Abbott in *Little Me* at the Prince of Wales, from *Starlight Express* at the Apollo Victoria to the surprisingly resilient *Snoopy* at the Duchess.

Musicals are increasingly expensive to put on—*Starlight* cost £2m—but producers seem bent on playing for high stakes. Although the West End has new *plays by Stoppard and Frayn* which have proved popular and successful, you sense that, in these economic dog days, if people are going to bother to go out, they may as well go for broke and blow the kitty on a big splashy musical.

The coach parties are piling in to see Tommy Steele in *Singin' In The Rain* at the Palladium as well as to *Little Me;* the tourists still flock to *Cats* and *Evita;* Andrew Lloyd Webber's third and latest hit, *Starlight*, is attractive to both tourists and the comparatively affluent professional middle class (and their kids); trendies and punks think about *Little Shop of Horrors* at the Comedy; and some unclassifiable folk, it appears, are still turning up for *Blondel* at the Aldwych and *Peg* at the Phoenix.

The threat to serious drama is not a serious one, as it most certainly is in New York. Nor is there a marked feeling of concentrated flippancy or escapism around the British theatre. It just so happens that a lot of musical projects have come to a head over a short period: the flagship extravaganzas are *Starlight*, Rodgers and Hart's *On Your Toes* at the Palace and, opening at Drury Lane in early August, *42nd Street*.

This latter trio is included *in the latest batch of show* albums. If you have 1984 blues I cannot imagine a better antidote than the original Broadway cast recording of *42nd Street* (RCA CBL1-3891) which is, of course, *based on the 1933* definitive film of "putting on a show" starring Warner Baxter, Ruby Keeler, Dick Powell and Ginger Rogers. The Broadway cast is led by Jerry Orbach—whose performance as the producer is one of the great musical comedy performances of our time — and Tammy Grimes. The songs by Harry Warren (music) and Al Dubin (lyrics) include "You're Getting to be a Habit with Me," "We're in the Money," and "Lullaby of Broadway."

"42nd Street," blues antidote

How London vies with the Broadway version remains to be seen. But we know that few points are conceded at the Palace in *On Your Toes*. The double LP Broadway cast recording from That's Entertainment Records (TER 1063) features the two big ballets in their entirety: the Rimsky Korsakov pastiche I could live without, but "Slaughter on Tenth Avenue" is an electric item in the brilliant 1936 orchestration of Hans Spialek. *Natalia Makarova, who does not* sing a note on either stage or album, still receives top billing. Good for her. Which song do you like best: "It's Got to be Love," "There's a Small Hotel" or (my favourite) "Glad to be Unhappy"?

All musical comedy buffs make a bee-line in London for That's Entertainment in Covent Garden. It is a treasure trove of valuable and recherché recordings—where else could you depend upon finding reissues of Sandy Wilson's *Divorce Me, Darling!* (the sequel to *The Boy Friend* and every bit as good, if not better). Lionel Bart's *Blitz!?* But it also bears responsible witness to efforts large, small, success*ful and less so in the contempo*rary musical theatre. If anyone *is* going to provide us with the London cast album of such grisly catastrophes as *The Importance*, then it will be That's Entertainment, if only to make a few actors' mums happy.

Peg (TER 1024), which ever way you slice it, is a disc of limited appeal. I have been detered from seeing the show by friends who fear for what remains of my good sense, temper and sanity. I hoped to be disabused of these implied strictures on the merits of David Heneker's music and lyrics by indulging in a quiet listen, but the whole thing was worse than my wildest imaginings. The record shall benefit only the needy of the parish at the next jumble sale.

The same awful English tally-ho inanities pervade *Bashville* (TER 1072) by Denis King (music) and Benny Green (lyrics). Green has adapted the short play Shaw adapted from his own boxing novel, *Cashel Byron's Profession*. That's Entertainment's regular production wizard, the ubiquitous and near-legendary Norman Newell, has for once failed to work his spell. The material proves recalcitrant and finally obnoxious on the ear and is also condemned to grace the above-mentioned upcoming jumble sale.

In the meantime, *Bashville* opens at the Regent's Park Theatre next week. Perhaps the production will dispense with the aroma of Stale English *Musical that hovers in the air,* an unfortunate legacy of the bad old days of Heneker (he wrote *Half a Sixpence* and *Charlie Girl*), second-rate Bart and Julian Slade.

You already form an idea of That's Entertainment's reckless philanthropy in the field. But they also offer two much sharper records in *Snoopy* (TER 1073) and *Baby* (TER 1089). Both will be listened to again in my house and the first side of the latter may be honoured with transcription to cassette (in which form all of these records are available, of course) for car tape deck purposes—an ultimate accolade on our patch.

In the theatre, *Snoopy* quite confounded my worst fears, and closer contact with the music and lyrics of Larry Grossman and Hal Hackady proves I was right and confounds me again. They achieve a wonderful fluency of rhyme and phrasing, and the young cast of unknowns perform with verve and bounce. It is, in the real sense of the word, charming.

More acidity in *Baby*, a Broadway show as yet unper*formed here*, by David Shire (music) and Richard Maltby Jr (lyrics), about three couples having babies. I missed the show in New York, but on disc it seems to fade badly. But there are sharp, tangy, enjoyable songs, orchestrated by the matchless Jonathan Tunick, the Hans Spialek of our day.

Also unperformed here is *The Rink* (TER 1091) by John Kander (music) and Fred Ebb (lyrics), the composers of *Cabaret* and *Chicago*, with a book by playwright Terrence McNally. *The Rink* opened on Broadway in February, thus beating *Starlight* to the post as the first roller rink show. The venue in question is a dilapidated Eastern seaboard relic which Chita Rivera wants to sell but which her daughter, Liza Minnelli, a survivor of the grey 1970s, wants to save for its nostalgic resonances. Minnelli was "off" when I saw the show (she has just been replaced by Stockard Channing), but this record more than compensates for my disappointment in the theatre. The first side, with classic Kander / Ebb songs like "Coloured Lights" (similar to Brel's "Carousel"), "Blue Crystal" and "Not Enough Magic" is absolutely wonderful.

I felt in March that, for all *its narrative flimsiness, Starlight Express* was worth seeing for its sensational opening 10 minutes and a reasonably breathtaking first half. Surprisingly for Lloyd Webber, the original cast double album (Polydor LNER1) has taken four months to appear. It was recorded over three live performances and also in the studio. Lloyd Webber is, among his various talents, pre-eminent perhaps as a technician, a genuinely popular experimentalist in the musical hardware of synthesizers, amplifiers, percussion and heavy metal.

In *Starlight* he and his production team were aiming for the first genuinely plastic or sculpted musical. They did not quite succeed, tripping up on *fidgety plot loops and* weak-kneed characterisations. A lot of this—and the repetitive race sequences—is stripped away on record. The sound is tremendous, a veritable moog symphony of crashing freight, clanging steel, pumping iron and hard, greasy, irresistible rock.

Michael Coveney lends an ear to records of songs of the shows

Dominic Gill reflects on the value of music competitions

Carl Flesch medal

Everyone knows that music competitions are ridiculous. The basic premise is absurd: that music making of quality can be tested, graded and passed or failed along the lines of an Associated Board examination: that the artist can be put through his or her paces in the circus ring, and thereafter neatly labelled and filed; and not least, that an international panel of music teachers, riven with rivalries, may be the most suitable and dispassionate judges of quality.

In fact, the reverse is true. One must never tire of repeating (and more important, never tire of acknowledging) that above *a certain level there* are no better artists—only different ones; that high artistic achievement can never be neatly classified; and that— as prizewinners' lists of the past 50 years eloquently *testify—the instinct* of the teacher is often to prefer the golden student, the perfect, malleable model, to the truly original creative spirit. The difficult, disruptive, unmanageable, vulnerable spark of genius is all too easily, for comfort's sake, set aside.

Yet for all that, the circus is not without its uses. The list of *important young* artists—and not necessarily only the prizewinners — for whom a competition has proved an invaluable springboard to a well-deserved international career is still larger than the list of those whom competitions have, for whatever reason, failed to reward. Every performer finds a competition a terrifying ordeal —but the real-life concert-round is still more taxing, more merciless in its demands; and many agree that, however artificial the context, the rigours of a competition are good practice, and provide a fairly accurate gauge as well as musically, to stand up to the stress of the professional soloist's life which lies ahead.

The scheme might even stand to gain some *fundamental* credibility if it were not, by its very nature, also so narrowly selective. A substantial number of the best young performers in any generation decide, perhaps wisely, to ignore the competition arena entirely, and simply get on with their careers. The success of any competition ultimately *depends* upon the quality of its competitors; and it is significant that of the very best young violinists to have emerged during the last 15 years, one appears in the lists of of the nine Carl Flesch International Violin Competitions that have taken place since 1...

That the Carl Flesch ju... throughout those years sh... have continued doggedly ... award first prizes merely s... to debase the currency furt... what value the Carl Fl... Medal if it is presumed ... whatever the standard, som... at least must get it? Parad... ally, therefore, the sad new... this year's competition was ... the most heartening: that ... jury, coming to terms at ... with the facts of life, recogn... that no entrant of the com... tion was truly star quality, ... awarded no first prize.

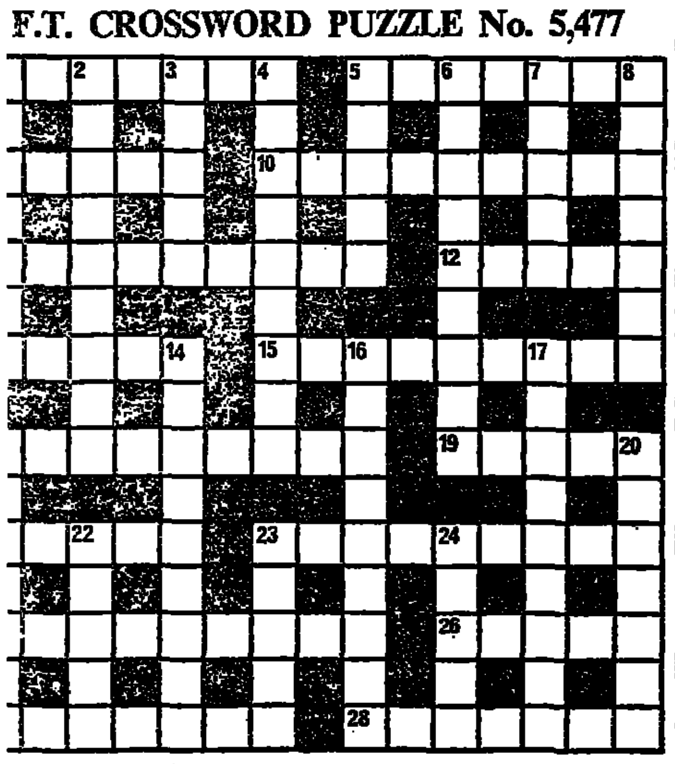
Of the six finalists, only ... were truly outstanding, ... both of these were from Ja... 26-year-old Takumi Kubota ... without question, *by far* more mature and comman... of presence. Her Mozar... major concerto was gently ... ceptive, sweet, clear and ... toned; but her account of Bartok's second concerto ... the only one of all the 12 ... certo performances I hear... three days at the Barbican ... week which took us out o... competition arena entirely. It had imperfections—but it ... had a wonderful contro... colour and line, and an irr... ible authority and sweep. It was alive in every bar with the true artist's *stamp*.

Her compatriotic Masaki Kino, accompanied like... with admirable tenacity by the RPO under Norman Del ..., played Mozart with exquisite clarity but little sympathy ... Chaikovsky's concerto ... splendidly relaxed virtuo... It was a performance still ... ing its way, brilliantly sched... —of distinctly greater prow... than original musical achie... ment. The perfect stunt triumphed. The jury pref... ably—though not, I was gl... hear, unanimously—award... Kino second prize, and Ku... third.

New chairman of Tate trustees

Richard Rogers, architect of the Pompidou Centre in Pa... is to succeed Lord Hutchin... of Lullington, as chairman of the Tate Gallery Board of Trustees from September.

F.T. CROSSWORD PUZZLE No. 5,477



A prize of £10 will be given to each of the senders of the first ...ee correct solutions opened. Solutions must be received by ...t Thursday, marked Crossword in the top left-hand corner of ... envelope, and addressed to the Financial Times, 10 Cannon ...eet, London EC4P 4BY. Winners and solutions will be given ...t Saturday.

...me ....

...dress ....

....

ACROSS

Reverse of complexity — craving to fascinate (7)

Dickens hero meets Austen heroine in the afternoon (3, 4)

Forbidding sounding brothers (5)

Autumn flower suggests approval of corporal punishment (6-3)

Between warming-pan and electric blanket, both to let? (3, 6)

Place in London that sounds scholastic (5)

Be losing track? (5)

Cheat with a lot of woody grass (9)

Two sea movements in Derbyshire (9)

Rub together what could be naked (5)

Say "Achtung! Concealed craft!" (5)

Pits bring in a lot of pocket money (9)

Group wanting ante? (6, 3)

Name for boy—in reverse, girl? (5)

Page in Spectator writer mounted by Jack? (7)

Warm and brief, we hear (7)

DOWN

Important person, maybe reporter? (3, 4)

3 Speed of sound in totem poles (5)

4 Where chairs are for professors—or babies? (4, 5)

5 Vegetable beat? (5)

6 We cooked with ice in meat, getting paid by results (5-4)

7 Sea translated it—that's an order (5)

8 An Italian poet? Not too fast (7)

14 Light about breach of trust at World's End (4, 5)

16 False claim on bills is spiteful (9)

17 End of buzz by rising bee with endless game in Belgium (9)

18 Your Royal Society is a poem by Arnold (7)

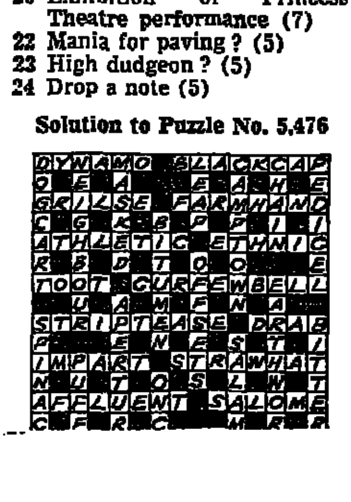
20 Exhibition of Princess Theatre performance (7)

22 Mania for paving? (5)

23 High dudgeon? (5)

24 Drop a note (5)

Solution to Puzzle No. 5,476



SOLUTION AND WINNERS OF PUZZLE NO. 5,471

Miss A. M. Dingle, 38 Linden Way, London, N14.

Mr John E. Brown, 22A Sewell House, Belmont Road, Winscombe, Avon.

Mr J. H. Perryman, High ...

† Indicates programmes in black and white

BBC 1

6.20-8.25 am Open University.
8.40 The Saturday Picture Show.
10.52 Weather.
10.55 Grandstand including 1.05 pm News Summary. Cricket: Fourth Test—England v West Indies at Old Trafford; World Bowls Championships 84 from Aberdeen; Racing from Ascot (2.00, 2.35, 3.20).
5.10 Automan.
5.55 News; Weather.
6.05 London and Scotland—Sport; South West (Plymouth)—Spotlight Sport; All other English Regions—Sport/Regional News; Wales — Sports News Wales; Northern Ireland—Northern Ireland News and Sport.
6.10 1 On The Road (new series). Radio 1 goes on the road with Peter Powell, John Walters and Mike Read.
6.40 *The Saturday Film:* "Born Free" (1965), starring Virginia McKenna, Bill Travers.
8.10 The Main Attraction (new series). Non-stop comedy, dance and song with David Copperfield, Lulu and others.
8.55 Dynasty.
9.45 News and Sport.
10.00 Saturday Late Film: "Twilight's Last Gleaming" (1977), starring Burt Lancaster, Richard Widmark.
12.20-3.45 am Olympic Grandstand. The Opening Ceremony of the XXIII Olympic Games live from Los Angeles. David Coleman describes tonight's spectacular occasion. The programme is introduced by Desmond Lynam.

BBC 2

6.25 am Open University.
3.10 pm Jazz On A Summer's Day: with Humphrey Lyttelton and Russell Davies.
†3.15 Film: "It's Trad, Dad!" (1962), starring Helen Shapiro, Craig Douglas.
4.30 Cricket: Fourth Test. Coverage of the third day of the Fourth Test between England and the West Indies from Old Trafford.
6.10 Primal (last in series).
6.25 Arena. "Jazz Juke-Box II" with George Melly.
7.15 News and Sport.
†7.30 Film: "Tubby Hayes."
8.05 Duke Ellington . . . and his Famous Orchestra. A film portrait.
9.20 Jazz At The 100 Club. First of two programmes.
10.10 *World Championships 84.* Highlights of the singles final of the fifth World Bowls Championships at Westburn Park, Aberdeen.
10.40 Cricket: Fourth Test.
11.05 News.
11.10 Film: "Jazz On A Summer's Day" (1960), starring Louis Armstrong, Mahalia Jackson, Chuck Berry, Jack Teagarden, *Dinah Washington* and others.
12.30-1.30 am Elia Fitzgerald At Ronnie Scott's.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 No 73.
12.15 pm World of Sport: 12.20 Powerboat Racing: The Everest Double Glazing Round Britain Race. 12.35 Tour de France; 12.45 News followed by Australian Pools News; 12.55 Rugby League: New Zealand v Great Britain from Christchurch; 1.35 *Racing from Newcastle* (introduced by Derek Thompson) (1.45, 2.15, 2.45, 2.50); 2.25 Speedway; 3.00 Going For Gold; 3.50 News; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 The Fall Guy.
6.00 The Pyramid Game.
6.30 Some You Win.
7.00 Russ Abbot's Madhouse.
7.30 Ultra Quiz presented by David Frost.
8.00 The Gentle Touch.
9.00 News.
9.15 Malibu: First of two-part drama starring James Coburn, Kim Novak, Anthony Newley, William Atherton and Eva Marie Saint.
10.30 Olympic Gala Concert from Los Angeles celebrating the opening of the 23rd Olympiad, hosted by Jane Fonda and Robert Wagner. Also starring are Olivia Newton - John, Johnny Mathis, Neil Diamond, Jack Lemmon, Walter Matthau and Sarah Vaughan.
12.30 am London News Headlines.
12.32 Film: "Sicilian Cross," starring Roger Moore and Stacey Keach (1976).
2.10 *Night Thoughts* with Stewart Lamont.

CHANNEL 4

2.00 pm Great Walks.
†2.30 Film: "Go West" (1925), starring Buster Keaton.
†3.50 Comedy: A Home Of Your Own (1964), starring Richard Briers, Bridget Armstrong, Ronnie Barker, Bernard Cribbins and Peter Butterworth.
4.35 Buffalo Bill.
5.05 *Brookside.*
6.00 Ear Say.
7.00 News and Weather, followed by Seven Days.
7.35 World Alive: Spain.
8.00 Sebastian Coe: Born To Run.
9.00 Callan.
10.00 They Came From Somewhere Else. Science fiction comedy.
10.35 25 Years of Country Music *with Glen Campbell.* Ray Charles, Loretta Lynn, Barbara Mandell, Kenny Rogers and Tammy Wynette.
11.30 Film: "Hound of the *Baskervilles" (1959)* with Peter Cushing as Sherlock Holmes and Andre Morrell as Dr Watson.

S4C WALES

2.10 pm A Primer for Pine. 2.55 Cervantes. 3.50 Questions. 4.20 Feature Film: "Union Pacific." Cecil B. DeMille's classic. 6.40 Country Routes: Waylon Jennings in Concert. 7.35 Newyddion. 7.45 Newydd Bob Nos. 8.15 Rhuban Glas. 8.55 Callan. 9.55 Thriller Double Bill: Cash on Demand with Peter Cushing, and 11.15 "W" starring Twiggy.

REGIONS

IBA Regions as London except at the following times:

ANGLIA
12.20 pm Olympics '84 Preview.

BORDER
9.25 am Great Cartoon Stars. 9.35 Standby, Lights, Camera, Action. 5.05 pm Chips.

CENTRAL
9.25 am The Great Cartoon Stars. 9.35 *Standby, Camera, Lights Action.* 5.05 pm Chips.

CHANNEL
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Thunderbirds. 10.20 Puffin's Pla(i)ce. 12.14 pm Channel Islands Weather. 5.05 Puffin's Pla(i)ce.

GRANADA
9.25 am The Wonderful Stories of Professor Kitzel. 9.35 Secrets of the Coast. 10.05 Matt and Jenny on the Wilderness Trail. 5.05 pm Chips. 12.30 am Hawaii Five-O.

HTV
9.25 am The Wonderful Stories of Professor Kitzel. 12.13 pm HTV News. 5.05 Chips.

SCOTTISH
9.25 am Angel Romero, Classical Guitarist. 9.30 A Iomadh Duthaich. 9.55 *Sally and Jake.* 10.05 Happy Days. 12.20 pm Olympics '84—Preview. 12.30 am Late Call, with Rev James Currie, Dunlop Kirk, Ayrshire.

TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. *10.27 Gus Honeybun's Magic Birthdays.* 5.05 pm TSW Regional News. 12.30 am Postscript with Barry Smith, president of the Lions Club of Penzance, and Rev Bob Irving. 12.35 South West Weather and Shipping Forecast.

TVS
6.25 am Good Morning Britain. 9.25 Augie Doggie. 9.35 Wheelie and the Chopper Bunch. 10.00 Batman. 12.12 pm TVS Weather. 12.30 am Company.

TYNE TEES
9.25 am Morning Glory. 9.30 Father Murphy. 10.25 TT Time 12.13 pm North East News. 5.05 North East News. 5.10 Chips. 12.30 am Poet's Corner.

ULSTER
9.25 am Tarzan. 10.20 Cartoon Time. 12.43 Lunchtime News. 5.08 Ulster News. 5.10 Chips. 12.25 am Sports Results. 12.30 News at Bedtime.

YORKSHIRE
9.25 am Regional Weather followed by Casper the Friendly Ghost. 9.35 Joe 90. 10.00 University Challenge. 5.05 pm CHiPS.

BBC RADIO 1
(S) Stereo broadcast
6.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top Ten, Green of Scritti Politti talks to Andy Peebles and chooses his all-time Top Ten. 2.00 Paul Gambaccini ... 7.30 Janice Long with Peter Tosh. 7.30 Janice Long with sessions from Red Box and Alone Again OK. 10.00-12.00 Dixie Peach.

BBC RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S) with Keith Fordyce. 11.00 Album Time (S) with *Peter Clayton.* 1.00 pm One of a Kind. An appreciation of Eric Morecambe, OBE. 1.30 Sport On 2: Olympics '84: Preview of the 1984 Olympics. Cricket: Commentary on the third day's play between England v. West Indies at Old Trafford; plus at the Oval, the Sri Lankan tourists play Surrey and England's women take on New Zealand at Canterbury in the third test. Racing from Ascot: 2.35, 3.20. Plus a look ahead to next week's "Glorious Goodwood." Golf: Reports from Arnhem on the third day's play of the Dutch Open. 6.00 Folk On 2 with Jim Lloyd. 7.00 Three in a Row, with Stuart Hall. 7.30 Cricket Scores; Gala Concert (S) from the De la Warr Pavilion, Bexhill. 9.30 Big Band Special (S). 10.05 Saturday Rendezvous (S) with Sheila Tracy. 11.00 Ken Bruce (S). 12.05 am, 1.02 Olympic Reports. 1.05 Peter Dickson (S) *presents Nightride.* 3.00-4.00 Pop Over Europe (S).

BBC RADIO 3
8.00 am News. 8.05 Aubade: Gardiner, Poulenc, Rimsky-Korsakov (S). 9.00 News. 9.05 Stereo Release. New records: Grieg, Mozart, Martinu, Schumann (S). 10.30 The Genius of Venice: Willaert, Andrea Gabrieli, Bassano, Padovano, Morales, Andrea Gabrieli, Giosetto Guami, Giovanni Gabrieli (S). 11.15 Bournemouth Sinfonietta: Handel, Telemann, Francaix, Schubert, Mozart (S). 1.00 pm News. 1.05 Beethoven and Brahms: Chamber Music (S). 2.00 Chaikovsky records (S). 3.20 Malcolm Proud. Harpsichord recital: Frescobaldi, Froberger, Rameau (S). 4.00 BBC Scottish Symphony Orchestra: Howard Ferguson, John McCabe, Lutyens (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 *Soviet Life through Official Literature:* First of four talks by Mary Seton-Watson. 6.30 Howells' Piano Quartet (S). 7.05 My Motherland is My Solitude by Igor Pomerantsev. Monologue, read by Ronald Pickup. 7.30 Proms 84 direct from the Royal Albert Hall, London. Part 1: Dvorak, Beethoven (S) *8.25 The English Ayre:* Robert Jones (S). 8.45 Proms 84. Part 2: Janacek, Dvorak (S). 9.40 A Celebration for Frances Horovitz: poetry readings. 10.10 Boulanger and Durufle: Lili Boulanger, Durufle (S). 11.15-11.18 News.

Medium wave as vhf above except: *10.55 am-6.30 pm Cricket: Fourth Test.*

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Par*liament. 9.00 News. 9.05 Breakaway.* 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News: A Small Country Living. 12.27 am Just A Minute with Kenneth Williams, Derek Nimmo, Gyles *Brandreth and Martin Jarvis* (S). 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Afternoon Theatre: "Requiem" by Berlie Doherty (S/Binaural). 3.00 News; The Jason Explanation of Religion (S). 3.30 Not Exactly in his Footsteps: Ray Gosling. 4.15 Two Girls *in the Forest.* 4.45 More Wrestling than Dancing, with David Moreau. 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, travel. 6.00 News. Sports Round-up. 6.25 Desert Island Discs: Sir Alfred Ayer (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-night Theatre: "Forgive Me Father" by David Hopkins (S). 10.00 News. 10.15 The Lighthouse Invites the Storm. 11.00 Evening Service (S). 11.15 Born Blind. 11.30 Steafel with an "S" starring Sheila Steafel (S). 12.00 News. 12.10 am Weather. 12.15 Shipping Forecast.

Solution to Chess Problem 526

1 K-Q2! puts Black in zugzwang (compulsion to make a losing move). If 1...P-K6 ch; 2 K-K2, K-K5; 3 R-N4 ch and 4 KxP. If 1...K-B4; 2 K-K3, RxP (or K-Q4; 3 R-N2! K-K4; 4 R-N5 ...

LEISURE

Arthur Sandles, and a damaged quiche, meet their fate at the fair

Pie in the sky—or on the floor

I DO hope that this weekend is better than last. There was the rain that turned potential prize blooms into soggy, if colourful balls of cotton wool; the woodlice explosion that produced a seething mass of little creatures beneath every stone; and the rapid braking in a narrow lane which sent a quiche flying off the rear shelf on to the car floor. The last one ended in tears—mine.

Last weekend, you see, was the occasion of the village show. England at the moment is in the thick of the show season. The marrows are being teased to final spurts of growth and the strawberries encouraged to last just a little longer. Cakes are being baked and cushions embroidered. It is a period of anguish over heavy dough and delight over plump broad beans.

"It seems to me," said the lady at the door of the barn "that every entry has some sort of drama behind it."

The village show is a remarkable institution, remaining one of the few times of the year when the whole community turns out together and the even rarer events when strangers are admitted to local rites. In our own case the "guess the weight of the goats" competition might have seemed fairly straightforward to the visitor from even the most strange of lands. But what they must have made of the tractor and trailer backing contest I dread to think.

Our show was earlier than most because the barn was needed for hay. Apart from our exhibits the local Good Life self-sufficiency people were selling produce, the potters pots and the pub had a makeshift bar.

The essence of a real village show is that it must be local. The exhibits are grown primarily for the table, not the exhibition bench. Town shows, or even worse, county shows, are for the true devotees. The entrants may be amateur, but they are certainly not tyros. Village exhibitors on the other hand know that they are entering a hit and miss affair. There are two golden rules:

A—You would have won any class you did not enter. "Eee Gladys luv, thy scones are better'n any o' they," you hear them say.

B—Murphy's law applies throughout. Disaster will strike in all classes you do enter. In evidence I offer the case of the flying quiche.

The class description was clear enough. "Short-crust savoury flan—not pizza." So I decided on seafood. Different, I thought, and the smell alone should be enough to intimidate the opposition. By nine a.m. the thing was complete. A presumptuous little filling of shrimp, cod, crab and scallop, embedded in eggs and kept moist with a secret herb sauce and country cream. Pastry has never been my strong point, but this time it seemed to have worked — perhaps my fingers are gentler and cooler in the early morning.

The problem with the flan (savory) proved to be the potatoes. Not that they were in the quiche, they were still firmly in the soil waiting to be dug up for "potatoes, five round (variety to be named)."

My first fork in the early potato patch produced a collection that would have disgraced a bullfinch's net for size. The second proved not much better. A bit early for the Arran Pilots it seemed, so off to the Maris Peer, lurking in a bed perilously close to the yews at the bottom of the garden. Better prospects this time. By the time five round potatoes that were even vaguely matched could be collected, plus the decorative parsley, the garden looked like

Trevor Humphries

a scene from the Vietnam front line.

And the clock was ticking on. The broad beans were no problem. They have come on all of a sudden and are plump in daunting uniformity—there are some heavy freezing or bean-eating days ahead. The courgettes . . . another story. Last week, superb. This week they have that narrow necked appearance of half-inflated balloons, a sure sign of watering neglect. Three sad specimens were grabbed nonetheless.

The clock ticked on.

Perhaps it should be explained that you enter these shows well in advance and thus have to predict what might be ready on the day. Given small gardens and English weather . . . but on with the tale.

Next, the fork plunged into the carrot rows for "carrots, short horn." Not, I suspect as short as mine, nor split and weedy looking. The carrots were abandoned. On instead to the sweet peas, "twelve stems, mixed." The night rain was still dripping off them, and the mud from fingers that had just been testing carrots gave the blooms a murky edge. The lack of rain had shortened the stems to stubby sticks, they looked more bumptious than proud, but they would have to do.

The strawberries, on the other hand, certainly would not. Snapping runners and fumbling under netting that defended the fruit more from me than the birds (who always find a way through it) I gave up after five precious minutes or so. The big rosy monsters of Wimbledon week had shrunk now to nut-sized insults to any judge's eye.

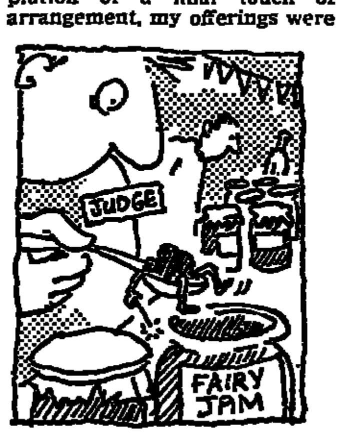
Meanwhile, as the quiche cooled (and flattened) the bread was baking. Three white and three brown to give a choice. Even the cat had been amazed *to see me rising at six to get* this lot underway but the yeasty smell was heady. And I had been saved by the village shop as Murphy prepared to strike the night before when I noticed it said "loaf, wholemeal," not "loaf, wheatmeal" for which I had bought the *flour initially.*

The shortbread had been done the night before. First time it had gone all wrong, what with burned edges and soggy middles. The second attempt looked better, if a bit sad centrewise again. It would have *to do. The lemon curd, my* pride and very lemony joy, had been drummed up a month before. The wines were loosened from their cellar after a year of keeping. One, the white, was foul, crisp to the point of abrasion. The other, *the red elderberry, tasted like* pleasant cough syrup.

I would like now to explain to the judges why my scones failed to appear. The fact is that the car was loaded and the engine running with the scones (sultana, six) still in the oven. *We were at least five minutes* over the assumed deadline for the final dash to the barn when they were snatched from the womb. They did not survive this rough treatment and died a sadly deflated death in the boot.

Perhaps it was this that upset the quiche. Reaching the bottom of the lane I touched the brakes a little harder than usual. The dull thud told of some disaster, the evidence of which proved to be an upside down quiche on the rear seat. Amidst the now peaking hysteria it was carefully assembled.

The exhibits were scattered rather than displayed. While others stood viewing their redcurrants and roses in contemplation of a final touch of arrangement, my offerings were



tossed on to the benches with abandon mixed with relief that either the deadline had been extended or I had got it wrong by *half* an hour.

And then the terrible wait. "Will everyone *please* leave the hall?"

It is an awful anti-climax. I

They were very nice about the quiche. Highly commended it was. My little note got a *response. Congratulations on the pastry!* A good effort in spite of the accident. Judges have hearts after all.

It is an awful anti-climax. I had just managed to scribble a note on the quiche, an illegal plea for clemency to the judges, *and was then pushed out. It* was 10.30. No readmission until 2.30. It's not like this in the Olympics, there you know whether you have won or lost immediately.

Back to the kitchen and garden to clean up. Yuck, did I do all that damage. Even time for a shave now.

They were very nice about the quiche. Highly commended it was. My little note got a response. Congratulations on the pastry! A good effort in spite of the accident. Judges have hearts after all.

The courgettes got first prize. The broad beans, which I would have put money on, came nowhere. Third prize for those nasty potatoes (the first prize winners were superb). Others had *somehow* got long stems on their sweet peas, so nothing to be had there. My white bread, which had looked great on the outside, was an embarrassment. A flatterer would have said it was solid. But second prize for the wholemeal, thank heavens the village shop survives.

They liked the white wine. There's no accounting for taste. They loved the red wine too—except that it was in the wrong class (dry, not sweet) and was thus suffered a technical knock out.

They were obviously not impressed by any of the local efforts at shortbread. Mine got second prize, but since no first was awarded I claim a moral victory.

But still my prowess with *lemon curd goes unrewarded. Last year they disqualified me for boiling the stuff (I hadn't, in spite of it being in a Kilner jar). This year it had been tasted but rejected. Too lemony for them I bet, and not set enough.* Well they had a point there.

The rain held off, but the wind blew. The brass band played magnificently. I lost several 10p pieces in vain assaults on various games of chance, and probably did unmentionable damage to my *suspension in finding a spot to* park in the field. But best of all was the gossip. Births, deaths, marriages and sickness, the glorious stock-in-trade of village life.

P.S. It looks as if the autumn show will be without my strawberry jam. It failed to set. But rivals beware, a two-year-old green tomato chutney is beginning to take on that mean championship look. And the potatoes should be ready by then too.

Further information: Any rural local newspaper publishes lists of local flower and craft shows.

AMONG the bigger shows on today are the Cleveland County Agricultural and Horticultural Show at Stewart Park, Ladgate Lane, Middlesborough, Cleveland; the Bishop Wilton Show at Lodge Farm, Bishop Wilton, Humberside: the Arthington, Bramhope, Poole and District Show at Pool Bank, Pool in Wharfdale, West Yorkshire; the Penrith Agricultural Show at Broom Farm, Lowtherbridge, Penrith, Cumbria; and the South of England Show which is at Wilton, just outside Salisbury, Wiltshire.

HIGH STREET WINE

EDMUND PENNING-ROWSELL

PETER DOMINIC was founded in Horsham in 1939, and its small chain of shops was confined to Sussex. It spread after the second world war to become the most enterprising of all such organisations, with its attendant Wine Mine Club. In 1963 it was bought by Gilbeys and is now the retail subsidiary of International Distillers &Vintners. It has 460 shops all over the country. If not as experimental as in the old days, its list is varied and the wines generally reliable. Out of a selection of just over 20 inexpensive wines I picked out the following:

WHITE

Les Chais Blancs (£2.59) French bottled; this is a slightly sweet, attractive if a little neutral quaffing wine for non-serious occasions.

Pinot Blanc 1982 (£2.89) French bottled-Alsace from the very reputable firm of Hugel, this is crisp, round and flavoury with very good acidity. A wine of distinction and good value.

Klusserather Bruderschaft Riesling Kabinett 1982 (£2.80) This estate-bottled Moselle from the house of Deinhardt has an attractive apricot nose and flavour, and a fair amount of acidity to balance the sweetness. If a little lacking in character it is good value for a Kabinett wine.

Bereich Johannisberg Riesling 1982 (£2.75) A class lower than the preceding wine, nevertheless ites Riesling character gives it some style. Honeyish on the nose and taste, it is slightly sweet but acid-balanced and in this rather poor vintage now completely mature.

Peter Dominic Lutomer Gewürztraminer 1981 (£2.29) Fairly sweet for a wine generally at its best when on the dry side, but much less aggressive-tasting than such young wines can be and nicely balanced. Excellent value and good with not too intensely smoked food.

Sparkling Anjou Rosé (£4.59 Though sparkling rosés are usually not my glass of wine, this has the negative virtue of not being sweet and, a pretty wine, with some character. It is made by the reputable house of Gratien and Meyer whose sparkling Saumur is also sold by Peter Dominic at the same price.

RED

Bardone Langhe 1982 (£2.89) This is a brand wine of the Barolo-based firm of Fontanafredda and is a blend of Barbera, Dolcetto and Nebbiolo, the three leading Piedmontese grapes. With medium colour and attractive aroma, this is a light, fresh, beaujolais-type wine, admirable with spicy food.

Peter Dominic Rioja (£2.29) Light in colour and with very oaky bouquet, it has enough fruit to cover this and makes an attractive, inexpensive glass of wine for party drinking. From the firm of Lagunilla, as blended for Peter Dominic.

Vins de Pays de Coteaux du Salaves (£2.09) The price is not the least attractive feature of this Midi country wine, bottled at source. With little aroma, it is an easy-to-drink wine with slightly dry finish.

Côtes du Ventoux (£2.05) With good colour and slightly "cooked" aroma, this has a sweetish Côtes-du-Rhône flavour, spicy and with a touch of class. Excellent value, particularly for those buying by price.

Saumur Cuvée des Plantagenets (£2.50) If it seems a little unlikely that this was the quaffing wine of Kings Henry II and Richard I, buried nearby at Fontevrault, this is a clean-tasting, fruity wine from the local co-operative. A touch green on the taste and a little hard at the end, it nevertheless goes down easily enough.

Bergerac Château Jacquet Montcharme 1981 (£2.59). With the bouquet of a St-Emilion, which is not far away, this is a well-rounded wine with good body, and a slight sweetness that flatters it. French-bottled.

Domaine de Bel Air 1981 (£2.59). This French-bottled Rhône from Seillicard, an IDV subsidiary, has very good colour, an attractive blackberry bouquet, and a rich, round, full flavour. A mouthful of wine at a very good price.

CHESS

LEONARD BARDEN

THE GRIEVESON GRANT BCF annual congress opens at the Brighton Centre on Monday with its central attraction a keenly fought contest for the British Championship. Since Grieveson Grant took over the sponsorship in 1973, the national title has been transformed from a joke event (at one time first prize was a derisory £35) to among the best in the world.

The entry of 61 includes four grandmasters (Miles, Chandler, Speelman and the holder Mestel), 16 international masters, and Nigel Short, who has just qualified as a GM with his title to be ratified at the FIDE congress. Not a single competitor in the championship is aged over 40, a reflection of the youth-led advance which has made Britain the strongest chess nation in Western Europe. Bill Hartston, twice champion and BBC's commentating guru, is at 37 the second oldest man in the field.

Short will be the centre of interest. If he wins the title at 19, he will break Mestel's age record set in 1976. Short's victory at the North Sea Cup in Esbjerg, Denmark, early this week qualified him as a grandmaster and put him among a rare elite who have made GM in their teens. Only Fischer, Kasparov, Spassky and Karpov, three world champions and the 1984 challenger, have done it younger, Karpov by a mere two days.

Results of the North Sea Cup were: Short (England) 7½, Mestel (England) and Karlsson (Sweden) 7, Csom (Hungary) and Miles (England) 6½, Wiedenkeller (Sweden) and Arnason (Iceland) 5½, Kristiansen and and J. Fries Nielsen (Denmark) 4, Jacobsen (Denmark) 2½.

This year's traditional tournament in the fishing port Esbjerg was the strongest (FIDE category 10) ever held in Denmark, and shows an interesting trend. In the 1960s and 1970s when organisers wanted a block of highly rated GMs to give their tournament status, they asked the Russians.

But the problems of dealing with the Moscow bureaucracy are formidable: slow replies, brusque refusals, no shows, and late substitutions are all hazards. Only if Karpov is involved, when the influential champion smooths obstacles, are procedures trouble-free. So frustrated organisers turn to the British GMs as the core of their entry: they are highly rated, turn up on time, and can be speedily contacted by telephone.

Short's lifetime score against British No 1 Tony Miles is now +4=4−2, and one of the losses occurred when Nigel was only 11. Their North Sea Cup game *was impressive,* a true GM performance.

White: A. J. Miles. Black: N. D. Short.

Nimzo-Indian (North Sea Cup, Esbjerg 1984).

1 P-Q4, P-K3; 2 P-QB4, N-KB3; 3 N-QB3, B-N5; 4 P-K3, P-B4; 5 N-K2, PxP; 6 PxP, P-Q4; 7 P-B5, N-K5; 8 B-Q2, NxB; 9 QxN, P-QR4; 10 P-QR3, BxN; 11 NxB, P-R5; 12 B-N5 ch, B-Q2; 13 O-O, O-O; 14 P-B4, P-KN3; 15 QR-K1?

Probably the source of White's later troubles; Miles goes for a K-side attack which proves insufficient. Best is 15 QR-B1 BxB; 16 NxB when P-QN3 is met by 17 P-B6 and Q-Q2 by 17 N-Q6.

15 . . . BxB; 16 NxB, P-N3! 17 P-KN4, PxP; 18 P-B5, KPxP, 19 QPxP, N-R3; 20 PxP, NxP; 21 PxP (if at once 21 Q-R6, R-R3 defends), RPxP; 22 Q-R6, N-K5; 23 R-K3, R1N1: 24 N-B3? a chance for a won ending. The best chance is the tricky 24 N-B7 when QxN? fails to 25 R-R3 and RxP? to 25 N-K6! but 24 . . . Q-N4 ch! is still better for Black.

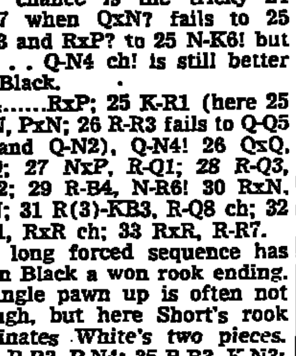
24. . . . RxP; 25 K-R1 (here 25 NxN, PxN; 26 R-R3 fails to Q-Q5 ch and Q-N2), Q-N4! 26 QxQ, NxQ; 27 NxP, R-Q1; 28 R-Q3, K-N2; 29 R-B4, N-R6! 30 RxN, RxN; 31 R(3)-KB3, R-Q8 ch; 32 R-B1, RxR ch; 33 RxR, R-R7.

A long forced sequence has given Black a won rook ending. A single pawn up is often not enough, but here Short's rook dominates White's two pieces.

34 R-B3, P-N4; 35 R-B3, K-N3; 36 K-N1, P-B4; 37 R-B6 ch, K-R4; 38 R-B3, P-B5; 39 K-Q3, K-N5; 40 R-QB3, R-QN7! 41 R-B4, R-N6; 42 RxRP, K-B6; 43 R-N4, RxR; 44 PxR, K-K7; 45 Resigns. Black's pawn marches in. The notes are based on Short's own comments.

PROBLEM No. 526

BLACK (5 men)



WHITE (5 men)

Levitt v. Hartoch, Oxford 1984.

Jonathan Levitt, a second year maths student, qualified as a new British international master at the recent tournament sponsored by National Westminster Bank and Pergamon Press. Curiously, his most remarkable incident was a missed opportunity.

As White (to move) Levitt tamely went 1 R-N4 ch, K-B4; 2 RxP, RxP; 3 K-B3, K-Q4 and the players agreed a draw. What did White overlook?

BRIDGE

E. P. C. COTTER

FOR TEN YEARS we have had a *Lords v Commons* Bridge Match, but now thanks to the tireless efforts of Rixi Markus and the generous sponsorship of World Airways and the American Contract Bridge League, 1984 saw the inauguration of a match in which our combined Houses played against a team of Congressmen and Senators.

I was invited to accompany our team to Washington as guide, philosopher, and friend, and, of course, scribe. The Duke of Atholl, the Earl of Birkenhead, Lord Grimthorpe, and the Marquess of Dufferin and Ava came from the Upper House, while Sally Oppenheim-Barnes and Sir Anthony Berry represented the Commons. Two other members were prevented from being present by unforeseen cir*cumstances, so* Albert Dormer and myself were asked to deputise. That was wonderful—playing is so much better than watching.

We were welcomed by our American hosts, and royally entertained the first two evenings. On Wednesday the great match was due to start. At noon we foregathered in the Sheraton Washington hotel, and the British players were piped on to the platform by a Scottish piper, and the Americans marched on to the sound of pipes and drums. The mayor opened the proceedings, the teams were introduced before Save the Queen and the Star-spangled Banner. Then after buffet lunch we sat down to bridge.

The match was played on 4-deal Chicago lines with, of course, duplicated cards. I played with Lord Grimthorpe, and we had an enjoyable partnership.

This was a good hand for us:

	N	
	♠ A 8 7	
	♡ Q J 8 7 6 3	
	◇ A 5 2	
	♣ Q	
W		E
♠ J 9 6		♠ 5 4 3 2
♡ —		♡ A 10 9 5 4
◇ Q J 9 8 4		◇ 6 3
♣ K 8 5 3 2		♣ 9 4
	S	
	♠ K Q 10	
	♡ K 2	
	◇ K 10 7	
	♣ A J 10 7 6	

My partner and I were North-South and vulnerable when West dealt and bid one club. I am a great believer in distributional openings, but this is carrying things too far, and if West must bid, why not one diamond? North said one heart, and I jumped to three no trumps. North looked wistfully at his six hearts, but he passed. I do not say he would not have made four hearts, but it requires very precise play.

West led the diamond Queen, I won in hand, led a club, and the Queen won. I returned the heart three, East jumped up with his Ace—a mistake—and returned a diamond to the Ace. I cashed the heart King, crossed to the spade Ace, made dummy's two heart winners, on which I threw clubs, and made King and Queen of spades. At this stage West was down to the Knave of eight of clubs. He was thrown in with a diamond, and had to *lead into my club tenace, giving* me 11 tricks.

The next hand was primarily a bidding problem:

	N	
	♠ K Q 5 4 2	
	♡ A 8	
	◇ K Q 10 5	
	♣ Q 5	
W		E
♠ A J 10 8 3		♠ 9
♡ Q J 9 6 3		♡ 7 5
◇ 8		◇ A 4
♣ A 3		♣ K 10 9 8 7 6 4 2
	S	
	♠ 7	
	♡ K 10 4 2	
	◇ J 9 7 6 3 2	
	♣ J	

With North-South game, East dealt and bid three clubs, South passed, West said three spades, and I doubled. After a pass from East my partner correctly bid *four diamonds, and West said* five clubs. My first thought was to double, but deeper analysis suggested that our defensive tricks were limited—five clubs is on ice—so I bid five diamonds. All passed, and my partner could not avoid going two down. Losing a spade, a club, the diamond Ace, and a spade ruff.

Just as our team included Albert and me, so the American team was not entirely composed of Congressmen and Senators. *As one of our opponents said* amusingly and sportingly: "Both sides had ringers, but your ringers were better than ours!"

The result was a victory for the visitors by some 4,000 points. Well, at least there is one sport in which Britain was not defeated.

Thank you, Washington, for hospitality and camaraderie we

SPORT

The 52% Games

HE IS 6 ft 2 ins and weighs 173 lbs. The look is baby-faced, the body trim, yet hard and sharply muscled, he exudes class. He seldom lifts weights, believing that practice—training—should be a "social event."

With the sophistication of a very rich 23-year-old, and the *wisdom of the world's greatest* athlete, Carl Lewis says: "It's better to underwork than overwork. That's why I haven't gotten injured. People don't know how to listen to their bodies."

On the basis of that philosophy, Lewis trains five days a week, two hours a day, and takes weekends off. It doesn't sound a lot, but it is a strong enough springboard to have made him the world's most outstanding athlete since Muhammad Ali, and explains why the 1984 Los Angeles Summer Olympics, starting today, nestle in his palm.

Lewis has inherited the mantle of Jesse Owens, who in Berlin 48 years ago won gold medals in the 100 metres, 200 metres, long jump and 4 x 100m relay. In L.A., Lewis is favoured in the four same events.

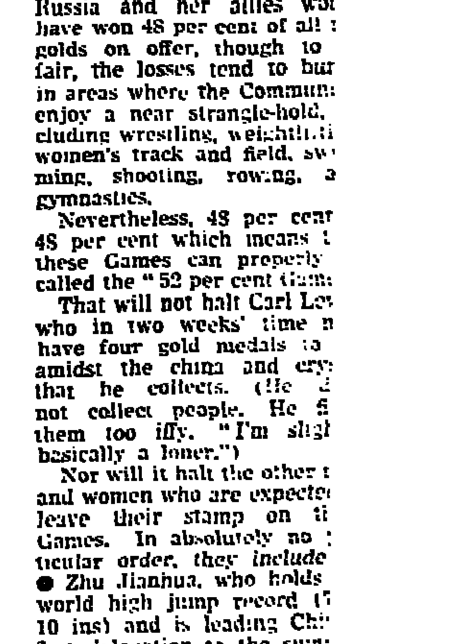
Lewis has run 9.97 seconds in the 100m—the second-best ever at sea level, and 0.04 secs off Calvin Smith's world record. His best in the 200 is 19.75 secs —0.03 off Pietro Mennea's world record. When Lewis ran 19.75, in Indianapolis last year, he had his arms aloft over the last ten metres. "I can set a record another day if I want to," he explained.

His best in the long jump is 28 ft 10¼ ins, against Bob Beamon's once-freakish, altitude-assisted 29 ft 2½ ins in Mexico City in 1968, when Lewis was seven years of age. Of the ten longest long jumps ever, nine are by Lewis. He could jump 29 ft or more any day now. "There are going to be some absolutely unheard of things coming from me," says Lewis.

Not everyone likes him. Jealousy, or despair, have spawned criticisms and accusations—about his wealth, his training methods, and of course his sexuality. He told Sports Illustrated: "Two sprinters said I competed in only three meets in Europe last summer because I was taking gorilla hormones and had developed a fist-sized cyst. They're trippin'." In like vein: "They say I'm a coke *freak, that I'm a homosexual . . .* As long as I know what I am, it doesn't matter what people say."

Carl Lewis is one reason why the Los Angeles Olympics will live in the memory. For some, these are the Mickey Mouse Games, an echo of Walt Disney—partly because of their location, partly because the boycott by Russia and her friends.

In important respects, the diminutive is deserved. It would tax a blind deafman to argue that the Games have not been decimated by the withdrawal of



Carl Lewis

Eastern playmates. On one es mate, the athletes who stay at home would have won 1 gold, 113 silver, and 106 bron medals.

The estimate cannot be p cise, but it is very good b park figures. It indicates th Russia and her allies wou have won 48 per cent of all golds on offer, though to fair, the losses tend to bur in areas where the Commun enjoy a near strangle-hold, cluding wrestling, weightli women's track and field, sw ming, shooting, rowing, a gymnastics.

Nevertheless, 48 per cent 48 per cent which means t these Games can properly called the "52 per cent Gam

That will not halt Carl Le who in two weeks' time m have four gold medals amidst the chaos and cry that he collects. (He not collect people. He s them too iffy. "I'm sligh basically a loner.")

Nor will it halt the other and women who are expecte leave their stamp on t Games. In absolutely no ticular order, they include:

● Zhu Jianhua, who holds world high jump record (7 10 ins) and is leading Chi first delegation to the Sum Olympics in 32 years;

● Greg Louganis, of the U the best diver in the world

● Daley Thompson, the Bri decathlete;

● Michael Gross, West Gerr swimmer;

● Edwin Moses, U.S. 4 hurdler;

● Yasuhiro Yamashita, Jap top judo man;

● Li Ning, Chinese gymnas

● Robert de Castella, Aus lia's marathon runner;

● Tiina Lillak, Finnish jav thrower; and

● Dave Schultz, U.S. free wrestler.

The list is by no means c plete, and can't account for t tion, but these are som the men and women who, in Los Angeles, will demonstrate what the Olym motto, *citius, altius, forti,* faster, higher, stronger really all about.

Britain's chances

ON THE ALL-TIME list of Olympic medal winners (1896 to 1980), Britain still ranks fourth, behind the U.S., Russia and East and West Germany, the latter two of which began competing separately in 1968.

Since 1896, Britain has won 151 Gold, 206 Silver and 171 Bronze medals for a total of 528, which is more than that, for example, of Japan, Australia and Denmark combined, to cite three middle-ranking powers.

This has nothing, I confess, to do with the price of fish, except that even in the modern era, boycotts notwithstanding, Britain can still make a show of things.

In L.A., Britain stands to win about eight or nine Golds. In some events, Britons will be garnering devalued medals that should have gone to stay-at-homes. In others, they will be winning exclusively on merit.

Britain's strongest show of force should come in track and field, where Sebastian Coe (800m) and Steve Ovett (1,500m), two of the greatest middle-distance runners ever, plus Peter Elliott (800m) and Steve Cram (1,500m) were formerly permed as bankers.

Coe holds three world records and is the Olympic champion at 1,500m, Ovett is the world record holder at 1,500 and Olympic champion at 800m, while Cram who combines tactical mastery with explosive kicking speed, wants to add an Olympic gold to other major wins in the 1983 World Championships and 1982 Commonwealth and European Games.

All three have been dogged by injuries or ailments, so that the 800m/1,500m picture is at present still obscure, particularly when you add in challengers like Joaquim Cruz (Brazil) and Rob Druppers (Holland) in the 800m, and Steve Scott (U.S.) and Jose Abascal (Spain) in the 1,500m.

The Briton that Americans love most is Olympic decathlon champion Daley Thompson. To them, Thompson is a "perfect 1/"—big, beefy, wilful. Were he to attain a personal best in each of the decathlon's 10 events, Thompson would score 9,107 points, shattering the world record (8,798 points) held by West Germany's Jurgen Hingsen. However, Hingsen will prove a formidable foe.

Other British prospects in track and field include Keith Connor (triple jump), Shirley Strong (100 metre hurdles), Fatima Whitbread and T Sanderson (javelin), Ritchie (shotput and dis and the women's 4 x 100 me relay team. One to wa Zola Budd (3,000 metres).

Elsewhere in the ga Britain's best chances inch

● Lucinda Green, a firm g medal hope in the three-day i vidual equestrian event, the three-day event team challengers: the U.S. and tralia).

● Judo: Neil Adams in the lbs class. Adams' princ strength is his grappling. (rival: Hiromitsu Takano Japan.)

● Rowing: The men's c four. (Main rivals: U.S. and Zealand.)

● Shooting (one of the sp decimated by the boycott): colm Cooper (small-bore three positions), and Ali Allan (small-bore rifle, pro

● Yachting: Richards-Al (Flying Dutchman).

Seve must decide

THE PROBLEM that now faces Spain's Seve Ballesteros, Open Champion for the second time at the age of 27, is one that has faced many others, and is largely of their own making.

Ballesteros has now convinced himself that he is not as happy in the U.S. as he is in Europe, mostly because of language difficulty.

However, anyone who has been charmed by Seve's dry, essentially British wit, marvels at his command of both idiom and vocabulary, particularly when one considers that after tying for second place with Jack Nicklaus behind 1976 Open Champion Johnny Miller at Royal Birkdale, his older brother Manuel had to interpret for him at his subsequent press conference.

Ballesteros must now decide whether or not to make another full-blooded effort in 1985 to make his mark on the *week-by-week grind of the American* tour or try, as did Tony Jacklin before him, to divide his time between the two continents.

Seve has already proved himself very capable of making these smash and grab raids to capture the 1978 Greater *Greensboro Open* and 1983 Westchester Classic, not to speak of the 1980 and 1983 Masters tournaments. But he also appreciates that his performances in the U.S. Open and P.G.A. championships leave much to be desired.

Ballesteros knows full well that to be bracketed alongside Nicklaus and Tom Watson he cannot afford to be content to be the big fish in the minor league European pond, in spite of his preference for a cosy family life. It is an awful dilemma that the home loving Neil Coles, a world class player, chose to avoid completely by refusing to fly, and which eventually tore Jacklin's game apart.

Earlier this year, I interviewed on American television all the obvious pretenders to Nicklaus's throne. They were all of the opinion that only Ballesteros today has the innate flair to dominate the world of fessional golf as did Nick for 20-odd years.

Seve could never last more t a few years in a position of t dominance.

It remains to be seen whe Ballesteros comes out with guns blazing on the Ameri tour in 1985.

Selfishly, I hope he decide give a full U.S. campaign more try, but I doubt very m that such an exciting eventu will arise. Ballesteros said me last Sunday: "At least I h a lot of time to think ab things."

Back to Ballesteros's brill victory last Sunday on the Course at St Andrews. In opinion it was far and away most impressive of his f major title triumphs. Masters Tournaments were Open victory in 1979 at Ro Lytham was gained in spite his wildness.

It is a marvellous illustrat of Seve's genius that he arri in St Andrews in a black m of glum despair after a mi ably ineffectual work-out at Belfry. He missed the Ch pion's Dinner without a word explanation at headquarters.

Yet five days later he swinging with massive, graceful solidity and smoot controlled, ruthless efficienc

I have never seen Balleste swing the club better—nor a one else for that matter—si the late Tony Lema won at Andrews after only 27 holes practice in 1964.

By contrast Watson co never find his groove from start, and in my opinion allow himself for once to beco overawed by the potential m nitude of the achievement he could win his sixth Op in 10 years.

Not only the size of the reco crowds, but their delightfu orderly behaviour, since it very difficult to see anything St Andrews without a gra stand seat, were truly impr

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An unusually silly season

THE summer is always an unhealthy feverish time in the financial markets—hence the age old slogan about selling in May. As legislative holidays approach, real news is short, yet shocks are to be expected. It is a traditional season for takeover raids, for example; there is a good chance of catching the victim's chief executive or his key advisers in some inaccessible spot, in bathing gear. An American election year always makes matters worse; it becomes impossible to believe politicians when they do seem to be saying something significant—or, as cynics might put it, more than usually impossible to believe them. Rumours thrive and so do those who thrive on spreading rumours.

Even by normal standards, however, the markets this summer seem unusually nervous and silly. The most immediate example is the rumour of a collapse of Opec, which knocked sterling yesterday. Times are always difficult for the oil cartel when the spot oil price falls well below the official price, especially since this usually happens in the Northern hemisphere's summer, when markets are over-susceptible. It is not often, though, that such a rumour generates enough force to move exchange rates sharply.

Forecasts

Yet a moment's thought will bring to mind the fact that Opec has survived many forecasts of its own doom, for the very good reason that it is earning large returns for all its members. A few quarrels about how to share out the spoils cannot alter the fact that the cartel does pay. The markets are right to reason that the biggest sufferer from a collapse would be the UK, which gets all the benefits of membership without paying its dues, in terms of production restraint. This annoys Opec members terribly, but they still hold together. It is the safest bet in the current market that they will go on doing so.

Another favourite topic for bearish gossip-merchants is the cost to the UK Government of the current coal strike. If you look at the Coal Board figures, it is easy to draw up some deeply alarming sums. However, the underlying reality is that we are burning accumulated stocks of coal instead of freshly dug fuel. This means the impact on the borrowing requirement will be much less than the impact on cash flow, as Greenwells pointed out last week in a very level-headed analysis. What is more, the borrowing figures are probably the ones which tell the economic truth this time. A market ready to celebrate government "economy" achieved by selling off valuable assets to raise revenue—the rake's recipe—worries itself into a fury when the same government sells off a burdensome asset—a wildly excessive stockpile of coal.

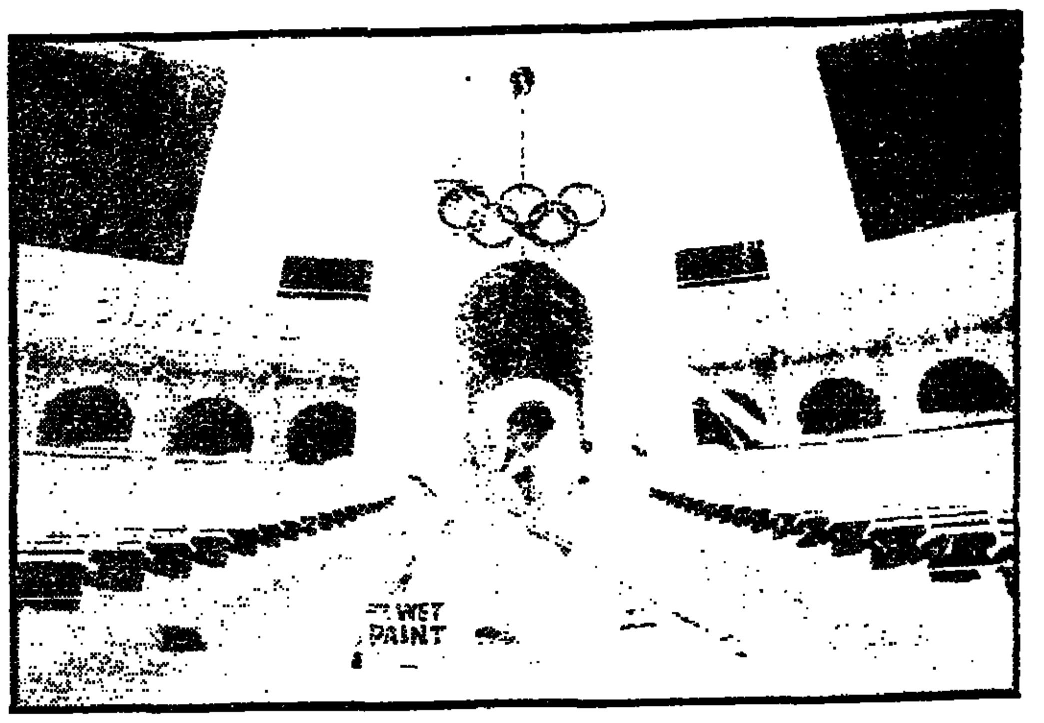
Why is the silly season so unusually silly this year? It is partly a matter of nerves. We have been waiting for nearly a year for the often-forecast slowdown in the U.S. economy, which will ease demand in the credit markets, allow the dollar to settle to a more rational level and take pressure off our own interest rates.

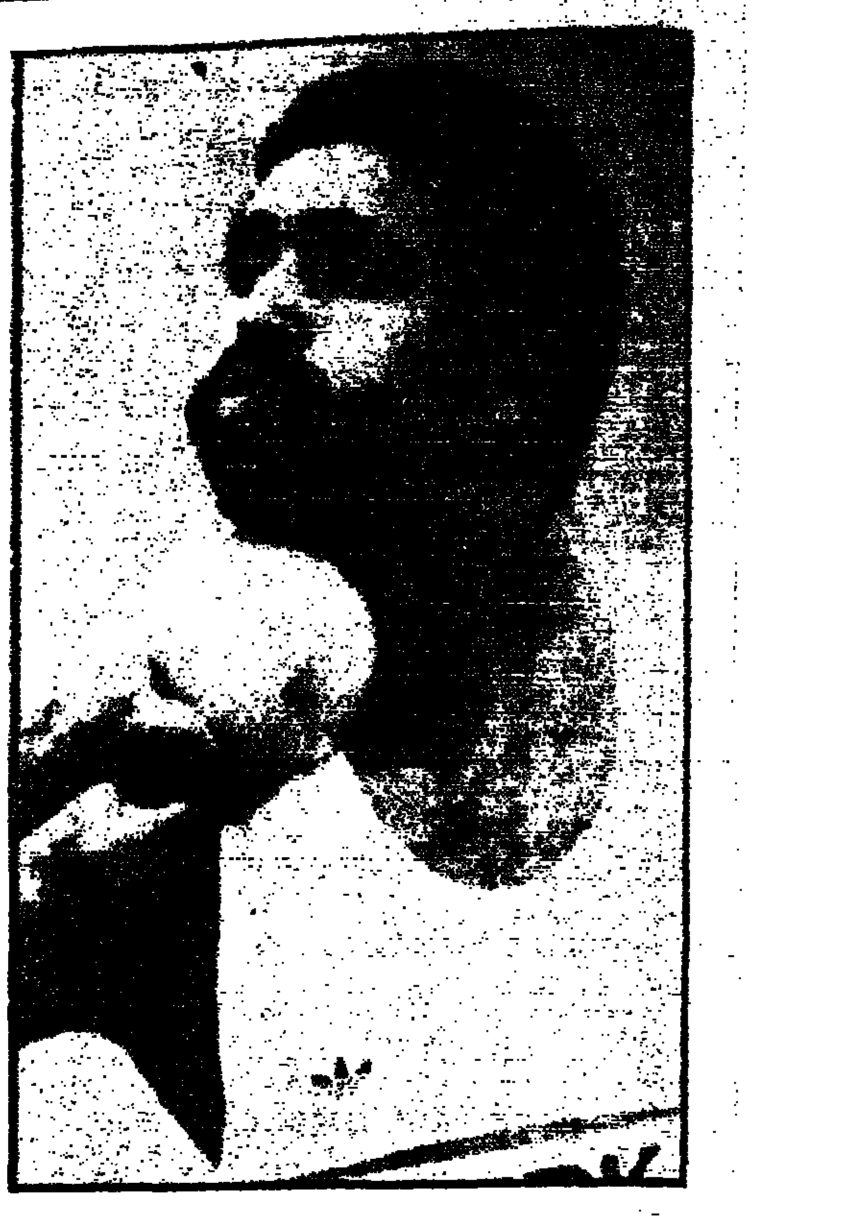
Influence

As we wait, quarter after quarter, and are rewarded with nothing more than the spectacle of Mr Paul Volcker of the U.S. Federal Reserve edging skilfully along the top of the same old precipice, nerves get frayed. Yet as Mr Volcker pointed out in his Congressional evidence, the nemesis which awaits debtor nations is a slow-moving agent. The real hope is that the burden of monthly repayments on U.S. consumer debt will slow down the growth of demand well before the burden of foreign debt service payments undermines the currency of the world's strongest economy.

Markets have never been very good at taking a long-term philosophical view of this kind. A newesis which may take years to arrive is not something you can take into account when you are running a minute-to-minute trading desk. Unfortunately, however, there are strong reasons to suppose that the gambling element always present in financial markets is becoming the dominant one, and will grow still further in influence.

The immediate cause is the enormous growth of futures markets of all kinds, in which investors can gamble on future price movements—or lay off any risks to which they are exposed—at a very small transaction cost. These markets fulfil a useful purpose in an increasingly uncertain world, but are very easy to turn into a casino; and that, according to a recent article by Mr John Train, a respected Wall Street investment counsellor, is just what has happened. The projected changes in the London market, which will make dealings much cheaper and prices more volatile, could have the same result. Nervous readers should perhaps lock up their money in what used to be called trustee securities, and look for their thrills somewhere else.





Putting the final touches to the Olympic stadium in Los Angeles (above) and (right) British Decathlon contender Daley Thompson

The Olympics

Make or break in Tinsel Town

By Michael Thompson-Noel in Los Angeles

BOMBER, the bald eagle, was not a well bird. Aged 22, he was seriously overweight, yet was being trained for a cameo role in today's opening ceremony at the Los Angeles Olympics.

According to the producer's plan, Bomber would fly from a perch in the Los Angeles Coliseum to a set of Olympic rings down on the in-field.

Training was progressing. But on July 15, Bomber died in his cage. The autopsy showed that the cause of death was vascular collapse, plus an acute bacterial infection. Plans to use a back-up bird, a golden eagle named Fluff, were abandoned when Federal officials said this week that they were investigating the possibility that stress caused by Bomber's training programme may have contributed to his demise.

That a bald eagle, which is the U.S. national symbol, and whose species is endangered, should have collapsed and died while training for the Los Angeles Olympics may have been the blackest possible portent for the survival of the Games. On the other hand, such is the ambivalence of the Games, as they struggle to survive, it may have marked nothing more momentous than the exit of an old, fat bird.

Can the Olympics survive? Are they so steeped in cynicism, commercialism, and political footballing as to have utterly lost sight of the ideals of Baron Pierre de Coubertin, a stubborn little Frenchman, who founded the modern games and whose heart is buried at Olympia? Is the show about to fold?

In many ways, Los Angeles will be a make or break affair. Tokyo, 20 years ago, hosted the last wholly successful games. Mexico, in 1968, saw the slaughter of 260 students, plus a U.S. black power protest and the barring of South Africa. Munich, in 1972, produced the killing of 11 Israeli athletes. Montreal, in 1976, suffered an edifice complex, with monstrous overspending on facilities. Moscow, four years later, was boycotted by 62 countries in reprisal for the Soviet invasion of Afghanistan, so that less than 6,000 athletes took part. And the Games in Los Angeles have in turn been boycotted by

Boycotting nations could be suspended from one or more subsequent Games

Russia and most of her allies in reprisal for the Moscow boycott.

Politically, the signs are not promising. As athletes from 140 countries streamed into California this week, Russia renewed its attack on the 1984 Games, suggesting that the slaying of 21 people in a McDonald's quick-food restaurant in San Diego last week justified its boycott.

"Gunfire is thundering on the eve of the Games in California," said the Tass news agency, in an article in Sovietsky Sport. "The bloodletting gives nightmarish testimony to the climate of violence reigning in the Olympic state." Pravda added that the San Diego killer, James Oliver Huberty, epitomised U.S. anti-Comunist hatred and the despair of the unemployed.

Even if the Games survive Los Angeles, there is deep-rooted concern over the choice of Seoul, in politically sensitive South Korea, to host the 1988 Games. Counter-balancing that, China—which today re-enters the summer Olympics after an absence of 32 years—said this wek that it had sent a delegation of 353, including 226 athletes, to California in the hope of "making some friends here, to achieve results, and to contribute to the world Olympic movement."

Mr Lu Jindong, assistant chef de mission for the Chinese team, said: "We hope we can host an Olympic Games before the end of the century."

In Los Angeles this week, the International Olympic Committee (IOC), the ruling Olympic body, said it would hold a first-ever extraordinary general membership session—probably in Lausanne, probably in November—to discuss how to combat boycotts.

The IOC may decide to suspend boycotting nations from one or more subsequent games. Probably it will not. But it may take heed of sensible Soviet and Eastern bloc advice that a key contributing factor to the Moscow and Los Angeles boycotts was the decision to locate the Games in countries that are in the geo-political mainstream.

On Thursday, Amsterdam formally announced its candidacy for the 1992 summer Olympics, saying that the Netherlands' biggest selling point was that it might not be boycott-prone.

Where this leaves Seoul, let alone Peking, is open to question. However, Sig Juan Antonio Samaranch, the IOC president, insists that the IOC will honour its contract with Seoul. "I myself will be in Seoul on September 29 for the opening of the new Olympic stadium," he said

Which brings us to Los Angeles, and sunny Southern California. By its own admission, Los Angeles is the most frantic, frazzled, blighted, bumptious, prosperous pixilated spot on earth.

"A big hard-boiled city with no more personality than a paper cup," said Raymond Chandler, hoping to sabotage the hype of the movie crowd. (Even today, all over town, the rallying cry is: "Let's have lunch.")

In a nutshell, Los Angeles is a city of 3,672 traffic lights, 48,000 palm trees, and 16,732 registered French poodles.

Amazingly, despite the boycott, these are the biggest Games ever, wouldn't you know—7,800 athletes (about the same as Munich), 140 countries, 21 sports, 660 medals, 7,000 officials, 8,000 media, 26 stadia and arenas with a collective daily seating capacity of up to 860,000, and an anticipated television audience of more than 2bn in 100 countries.

Even the city has rushed to the mirror. Street gangs have been paid to remove graffiti, while designers have decked the place—not in any old colours—but in violet, acqua, chrome yellow and hot magenta.

The Olympic torch is on its way to the Coliseum. On Wednesday its 79th day of relay, it was briefly lofted by 50 beefy marines, chanting "One, two, three, four, U.S.A. marine corps," before heading for the honky-tonk section of Oceanside, and then Orange County, where it was whipped past the former Nixon western white house, in San Clemente.

Despite the boycott, these are the biggest Games ever: 7,800 athletes, 140 countries, 21 sports, 660 medals, 7,000 officials, 8,000 *media*, and an anticipated TV audience of 2bn

All of which fades into insignificance against today's opening ceremony, which will be attended by President Reagan, if not the late Bomber.

Thanks to Tinsel Town, the ceremony will feature banners, anthems, a 100-piece symphony orchestra, bands, balloons, Beethoven, a 1,000-voice choir and a massing of dancers.

From tomorrow, the tumult becomes purer as the frenzy recedes and the athletes take over—marvellous men and women like Carl Lewis, Zhu Jianhua, Greg Louganis, Daley Thompson, Mary Decker, Zola Budd, Robert de Castella. Those who are lamented are the absentees: Dmitri Belozerchev (gymnast), Sergey Bubka (pole vaulter), Birgit Meineke (swimmer), Jarmila Kratochvilova (runner), and hundreds of others.

Despite some good things, the gibes remain. According to the cynics, the Los Angeles summer games are alternatively the "McBurger Olympics" (because of private enterprise management and sponsorship), the "smog games," the "52 per cent games," (because of the boycott)—as well as a security and transportation nightmare.

● McBurger Olympics. These are the first free-enterprise Olympics, being managed by a group of 62 businessmen and civic leaders, headed by Mr Peter Ueberroth, which was formed when the citizens of Los Angeles baulked at the bill. The Games budget is about $500m. Things are run on a shoestring. There is no high-tech stadium, merely existing facilities spread across 4,500 square miles of greater LA. Receipts include $225m for the TV rights, plus sums from $4m to $15m from official sponsors like McDonalds, Coca-Cola, Levi Strauss, and Fuji film. The Games may show a small profit, to be spent on youth and sport. Commercialism will not kill the Olympics. They thrive on it. Crassness, a la Montreal, is another matter.

● Smog. The hazard from smog is not only the haze of dirt, sea salt, hydrocarbons, sulphate, nitrate, lead and garbage that you see. It is exacerbated by ozone, a hyperactive form of oxygen. On Wednesday, in Pomona, Pasadena and San Bernardino, the ozone average reached "1st stage smog episode: air unhealthy for everyone." The next stage is "2nd stage smog episode: air hazardous for everyone." The atheletes are keeping their fingers crossed. So are the horses!

● Security. Everyone is here—FBI, CIA, National Security Agency. A security chief says he is confident of providing "wonderful athletic events with security around them," not vice versa. Fingers are crossed.

● Transportation. LA's freeway system is capable of bringing the games to a shuddering halt. Fingers are crossed.

If the Games survive Los Angeles, they wil be doing very well. According to Mr Ueberroth: "Don't call them the last Games. Just call them pivotal."

If the Games survive Los Angeles, they will be doing very well

The Olympics are not about money, at least not directly. Of his performance in the long jump in Berlin in 1936, Jesse Owens recalled: "I began to run slowly. Then faster, gaining speed with each step. My legs were moving at top speed now. I came closer and closer to the takeoff board. At the last moment I shortened my stride and hit the board with a pounding right foot. I felt my body rise in the air, and I scissors-kicked at the peak of it, flying 15, then 20, then 25 feet through the air — straining closer and closer to the towel. And then I landed—past it!"

That is what the Olympics are about.

Letters to the Editor

Tax savings schemes

From Mr M. Langton

Sir,—Undoubtedly a large number of professional advisers will be intrigued by the arguments that your Mr Clive Wolman is using against the premium emolument term assurance plan type of capital transfer tax savings scheme.

As obviously most people are aware, these have been around for a number of years, probably the earliest most well-known one being that run by Property Growth Assurance which was amended a couple of years ago with, of course, Inland Revenue approval.

Property Growth, together with the other companies mentioned in his articles, has undoubtedly already dealt with death claims under these sort of plans and there certainly has been no problem from the capital taxes office. I speak from experience certainly as regards one death anyway.

It was rather pleasing to see in his latest article (July 21) that he did mention that such claims had to be "approved" by the Inland Revenue in that the discounted values are agreed with the Inland Revenue in the first instance. What he of course politely ignored was that every single case that is set up is a transfer of value and in virtually all cases the transferor fills in a form C5 giving full details to the CTO of what has been transferred. Again there appears never to have been any query from the CTO on these so that in effect each scheme is individually "approved" as well.

He fails to mention that inheritance trusts are an entirely different type of animal, no agreement ever being reached with the Inland Revenue concerning these, and also that if there is a change of heart in the future, which may be unlikely but is of course still possible, there could well be a lot of inheritance trusts that would suffer because they would have only run for part of their repayment of loan

For example, if there was a change of Government in, say, four years' time and the attitude of the new Government was different, only 4-20ths of set up today would have been completed. This could cause rather a large number of problems which Mr Wolman completely ignores.

M. Langton.
34, Walton Park, Pannal, Harrogate, Yorks.

Metering the water

From Mr P. Newman

Sir,—I had rather hoped that someone else might have felt moved to comment upon the letter that the finance director of Anglian Water wrote (July 16) in reply to mine on the subject of metered water supply; but apparently not.

While the management view is held that "water in this country is cheap (and) the cost of measuring it and charging for it according to volume comparatively very high" so no doubt will it be deemed more cost-effective to allow it to leak away in an aging underground distribution system before it gets to the consumer than to incur the cost of repairing those leaks: 25 per cent and more, it is reported, is lost this way; even more, proportionately, during times of drought and restricted consumer usage when every drop counts. It must also thus be true that water is being drawn unnecessarily from rivers and aquifers with obvious environmental damage. And what about those lovely valleys flooded to provide water for major, distant conurbations?

Clearly a system of charging based upon total cost of water authority supply divided by the sum total of all the rateable values served by that authority is financially and administratively simple and convenient. If, however, charges were based upon the total gallonage of the water authority's output and one only paid for what one used on that basis, plus say 10 per cent for distribution loss this might serve to focus management minds upon the need to stop those leaks.

And why should the installation and reading of water meters be dealt with any differently than those for electricity and gas, that is by means of a flat rate standing charge covering everything? With the complications of the present system for supplying meters is it any surprise that since October 1981 when Thames Water first offered this facility only about 2,000 domestic meters have been installed, less than 0.1 per cent of properties served and less than 0.2 per cent of accounts rendered by Thames Water to domestic users.

For most of the year none of this really matters as there is ample water for all our needs, leaks and all. It is only during those dry summer months that the effects of this simplistic management style is most felt. And as if to further exemplify this I see that Anglian Water is to spend £250,000 to ask its 2m customers if they are using sprinklers without licences. Some so addressed don't even *have gardens!! At this point, I* fear, words fail me.

Peter F. Newman,
2, Maplehatch Close, Godalming Surrey.

Greater London Council—the row that refuses to die

From the Chairman, Planning Committee, Greater London Council.

Sir,—I refer to Hazel Duffy's report of July 5 concerning proposals to abolish the Greater London Council entitled "The row that refuses to die." The article is interesting in that, although it implies some criticism of the GLC's past performance, it only instances one such criticism. Miss Duffy criticises the Council's strategic planning in the following way: "The *authority took a remarkable 11* years to draw up a greater London development plan. It over-estimated population growth and took a long time to abandon prestige projects like the inner London motorway boxes. Indeed it has only recently woken up to the fact that the M25 orbital road round London is already beginning to redraw the commercial and industrial map of the city. Some critics claim that none of the GLC's structural and development plans has ever been realised."

The facts however are very different. Her first point concerns the preparation of the plan. When the GLC started to prepare the plan in 1965 it was a new body responsible for strategic planning over a huge metropolitan area with *new political boundaries* and it was preparing a plan in the uncertain climate of changing legislation. Nonetheless within four years the council prepared a draft and submitted it to the goverment. In doing so it had carefully consulted with the newly formed thirty-two London boroughs and the City of London and taken into account their comments. It then took the goverment, not the GLC, seven years to approve the plan after its submission. It is interesting to compare this performance with that of the London borough councils. In 1974 the Government issued regulations enabling all of the London borough councils to prepare plans for their boroughs. Now, ten years later, only thirteen of the boroughs have adopted plans for the whole of their areas. The remaining twenty have yet to do so and it will be many years before the last of the boroughs will complete is critical of the GLC's performance, the facts illustrate that the original delay in approving the GLC was caused by goverment and not the council, and that the council's record in this respect is far superior to that of the boroughs

Then there is the comment on the fact that it took the GLC a long time to make up its mind to abandon the motorway box. At least Londoners can be thankful that the council did make up its mind in that way and has since held firm. In contrast, the govern-

Miss Duffy says that the GLC has been slow in recognising the implications for London's economy of the M25. This is simply not true. The council was active in ensuring that the standing conference on London and south east regional planning studied the issues in great depth some time ago. The council has recently encouraged the standing conference to reorganise itself so that it can play a more positive role in controlling the economic future of the south east in relation to London. One can only wish fact that some critics claim that none of the GLC's structural plans have ever been realised. The GLC, of course, has in fact only approved one *such plan, namely the Greater* London development plan The concept of "realising" such plans is an outdated one; it is increasingly recognised that such plans need regular adjustment in order to keep them up to date with changing circumstances This is one of the main reasons why the council has been determined to put proposals for alterations to the GLDP to the Secretary of State without delay Consultations have revealed that the London borough councils and the various professional and institutional bodies are almost unanimous in their belief that the plan *needs updating* Nonetheless the Secretary of State is taking powers under the Paving Bill to remove his duty to consider the proposed alterations when they are submitted to him Again it is not the GLC which is being slow in this respect.

(Councillor) George Nicholson,

Personal pensions

From Mr B. MacMahon

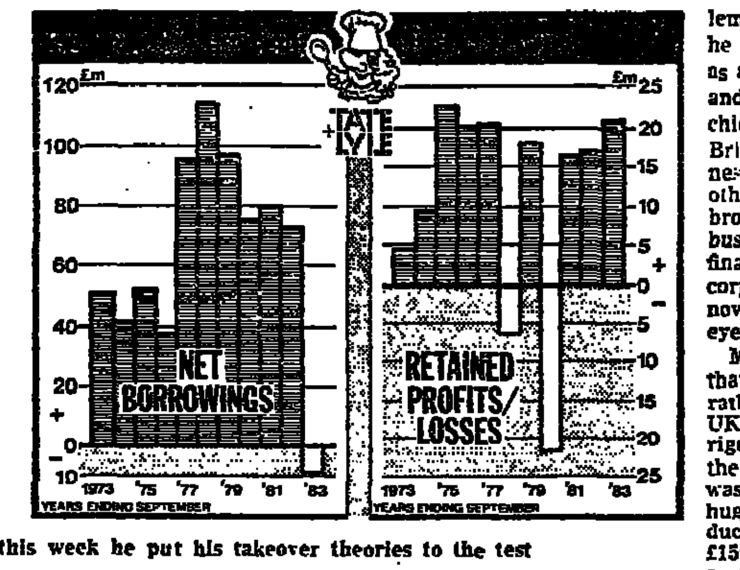
Sir,—I refer to Barry Riley's article (July 19) on the Government's pension proposals.

It is untrue to state that private occupational schemes "as a rule deliver much less than they promise." Pension schemes are established under trust law and failure to provide promised benefits would be a breach of trust.

Indeed, it is this very certainty that occupational pension schemes do provide the benefits promised that will figure most prominently when employees come to consider speculative, high risk benefits through a personal policy.

The personal pension proposals may not be the answer to the early leaver "problem" either. What percentage of contributions will be available for switching to another company within the first five years? Who *will guarantee* 100 per cent after one year? Commissions have to come from contribution income and it would be ironic if the price of freedom to choose was to be confinement to the first choice of personal policy.

Brian S. MacMahon.
Stratton House,



Mr Neil Shaw: this week he put his takeover theories to the test

Tate & Lyle bid for Brooke Bond

Mr Cube tries to cage the chimp

By John Makinson

NEIL SHAW, the Canadian chief of Tate & Lyle's North American operations, flew into London in late 1979 with a document designed to scare the sugar company's senior management rigid. Mr Shaw, who had for three years watched his parent company stumble from one blunder to the next, patiently explained the vulnerability of the world's most renowned sugar company to a hostile takeover.

"Tate & Lyle was valued by the stock market at about £70m," he recalls. "It wasn't hard to show that two or three components of the group might raise that much, and that the performance of one or two other companies could be improved significantly. It would have been an easy target." Mr Shaw's message evidently struck home. Six months later he was invited back to Tate's headquarters overlooking the Thames as group managing director.

This week, Neil Shaw put his takeover theories to the test. T & L startled the City with a £300m bid for Brooke Bond, a company as synonymous with tea as Tate is with sugar. T & L had made no secret of its hunt for an acquisition, but the market had expected the company's prey to be American, not British, and had certainly not reckoned on a victim as meaty as Brooke Bond, a group equivalent in size to T & L itself.

The combat between Tate's Mr Cube and the Brooke Bond chimp is sure to be bitterly fought but, for Mr Shaw and his colleagues, it represents only the first round in the group's struggle to become a fully-fledged multinational food company. T & L has a team in the U.S. which does little but study acquisitions and, in order to achieve its target of generating 40 per cent of group pre-tax profits from North America within three to four years, it will need to make its next move across the Atlantic.

The stock market's response to this week's news varied from the lukewarm to the downright hostile. The selection of Brooke Bond seemed curious to some analysts, as T & L would be adding another basic commodity to a business which, over the years, has taken its fair share of knocks

But, in the back of other analysts' minds were two further worries. The scope of T & L's present ambitions invites comparison with the strategy undertaken by the group a decade ago with disastrous results; moreover, while the present management has undoubtedly done an excellent job of correcting the mistakes of its predecessors, it has yet to prove itself as a shrewd and imaginative purchaser of companies.

T & L has painstakingly repaired a battered City reputation over the past five years and, in bidding for Brooke Bond, is effectively gambling that the recent spirit of good will can see it through.

T & L's present position looks not too different from that of a decade ago. Then, as now, it was generating substantial quantities of cash from its operations but looked excessively dependent on a single commodity. More than two-thirds of the group's pre-tax profits in the year to October 1, 1983, came from the production and refining of cane sugar, a commodity which is unlikely to show much long-term consumption growth and which is subject to a multitude of political controls at every stage of the production and distribution process.

As Mr David Lang, a partner of stockbrokers Henderson and Crosthwaite, puts it: "Neil Shaw's conversion of Tate and Lyle has been positively breathtaking, but even he cannot conceal the basic lack of long-term attraction in cane sugar refining; so diversification is essential."

T & L's response in the mid-1970s was to strengthen its position in sugar refining, by buying into the U.S. market, while diversifying into what it saw as related areas. It built up a substantial fleet of ocean-going commodity carriers, invested heavily in starch and exotic sucro-chemicals and even had spare cash left over for the odd piece of corporate whimsy, such as the development of a string of skate-boarding parks.

In its 1977 annual report, Tate failed to mention the performance of its sugar business but devoted a whole section to a review of plans for the next decade. As it turned out, the company's directors had less than a year in which to put their strategy into action. Almost all the investments turned sour—and none sourer than Manbré and Garton. T & L had bought the other UK cane sugar producer in 1976 for £50m and two years later had nothing to show for its investment but losses.

An attributable loss in 1978 forced the company to cut its dividend and the influence of the two dominant families began to wane. There were three Tates and three Lyles on the board in 1977. Today, there is only one representative of either family and he is a non-executive.

Mr Shaw, not surprisingly, is quick to scotch comparisons with the bad old days of the mid-1970s. Certainly the corporate style could hardly be more different. The transition from family control to hard-nosed professional management was initiated by Earl Jellicoe, who became chairman in 1978.

Mr Shaw himself is a relaxed and articulate man, but clearly someone who works hard and expects the same of his executives.

Even now, however, there is some ambiguity in Mr Shaw's position. He will certainly not engage in fanciful diversification and, if successful in his bid for Brooke Bond, will probably sell off the tea company's substantial timber business and its chain of butchers' shops. But Mr Shaw occasionally seems torn between the goal of establishing T & L's reputation as the world's top sugar producer, leading in everything from estates management to technical engineering, and the belief that he needs to build up a diversified food products group.

For the time being, Mr Shaw is aggressively pursuing both strands of his strategy, considering equally the expansion of sugar refining capacity in the U.S. and the purchase of food product manufacturers on both sides of the Atlantic. The problem is that, in the City's eyes, he has a reputation principally as an effective manager of costs and assets. In common with chief executives at other leading British companies—ICI, Guinness and Imperial Group are other obvious examples—he was brought in to streamline the business and to impose sharper financial disciplines on a corpulent industrial frame. Only now are these men turning their eyes to expansion.

Mr Shaw resists the notion that he is a demolition expert, rather than an architect. In the UK he is best known for his rigorous cost-cutting, of which the most significant illustration was the closure of T and L's huge Liverpool refinery to produce an annual cost saving of £15m. But he points out that, as chief executive of T and L's Redpath subsidiary in Canada, he was a busy builder. "I'm not a clean-up hitter," Mr. Shaw says, borrowing an expression from baseball. "At Redpath we put up 14 plants in three years. That company was in good shape."

Yet, as Mr Shaw is the first to admit, he was also the prime mover behind an investment which, even by T & L's standards turned out very badly. Between 1977 and 1983, T & L and Redpath together invested a total of about C$160m in a Canadian plant producing an artificial sweetener called Zymaize. The company reckoned that Zymaize should be nicely profitable so long as the sugar price did not fall below around 20 cents a pound. But, for the sake of caution, the company did its sums on several sugar prices, the lowest of which was 12 cents.

As it turned out, sugar collapsed to 8 cents, the plant construction cost overran its budget by 40 per cent and Zymaize lost money hand over fist. Mr Shaw can claim several coups in North America, not least the acquisition of a dusty old sugar refinery at Yonkers near New York, which now makes remarkable profits. But he must have been mightily relieved to be shot of Zymaize when the operation was sold for a nominal sum last year.

T & L's offer for Brooke Bond might easily be trumped by a financially stronger competitor, perhaps from overseas. Even if successful, the acquisition would stretch the sugar group in every direction. Yet, at T & L's offices on Sugar Quay, everyone seems confident that the battle can be won and that Brooke Bond's performance can be improved. Even if T & L fails to cage the chimp, the company will not wait long before trying its hand at something else. Cleanup hitter or not, Mr Shaw does not plan to cool his heels in the dug-out.

Record saleroom figures

American buyers create a bright picture

By Antony Thorncroft

SOTHEBY'S and Christie's, which both announced record turnover figures for the 1983-84 saleroom season this week, know what to thank for the current boom in works of art—the American economy. The business expansion in the U.S. has enriched many people, and traditionally the wealthy buy antiques, partly as an investment, partly to parade their affluence, and partly because they just like collecting.

An American-led buying spree is particularly good news for the salerooms because, unlike the rich Japanese or the wealthy Arabs, the Americans collect in all the markets for works of art: there is scarcely a sector which did not enjoy a better year.

In addition, both Sotheby's and Christie's have invested heavily in building up their New York salerooms in the past decade. Their turnover in that city now exceeds that in London. Christie's New York sales in 1983-84 totalled £158m, out of a turnover of £350.6m, and for the first time was greater than London, which managed sales of £134.3m at the main King Street auction house and £22.9m at the South Kensington saleroom, which specialises in the lower end of the market. All told, Christie's world-wide sales rose by 53 per cent in the season, which officially ends this weekend.

Sotheby's, which was bought last year by the American Mr A. Alfred Taubman, does not release the split between London and New York, but its total turnover of £401m, represented a 47 per cent gain. At least some of this can be atributed to the new management, which has brought wealth and certainty to a company that had been going through a difficult patch. It does Sotheby's no harm in New York to be headed by a well-known billionaire. Some of the collections which held off when the saleroom seemed to be in financial crisis ended up under the hammer in the spring.

But Mr Taubman's contribution has been more than restoring confidence. He invited some very rich men to join a new board, including Baron Thyssen-Bornemisza, the world's biggest private collector of paintings. In the past the Baron bought at Sotheby's but did not sell through them. Now he is doing so, London disposing of a work by Zurbaran for him for £70,000 this month. Mr Taubman is also investing in the modernisation of the company—word processors are arriving at the Sotheby's warren of a headquarters in Bond Street—and in the staff: salaries have risen sharply, which has added to the confident mood.

Some of the higher turnover

The Raphael head which made £3.6m

of the salerooms is accounted for by the strength of the dollar, which inflates the sterling figures. It also brings over to London many more American buyers: it was notable that private Americans secured the two most expensive lots at Christie's sale of the Old Master drawings from Chatsworth, including the Raphael head which made £3.6m. They even out-bid the Getty Museum.

It was noticeable that the top end of the market was easily the strongest this season, with rare and exceptional items usually selling far in excess of estimate. This is because each year there are fewer and fewer of such treasures free to come on to the market. It also means that the saleroom boom is based on a relatively small number of buyers. If the American economy faltered it would quickly be reflected in the auction houses. As it is they enter the new season in the autumn with optimism, with many important collecti waiting in the wings.

An obvious gap is develop in the auction world betw Sotheby's and Christie's and other salerooms. Phillips, third largest, had a good y by its standards, with a 16 cent rise in sales: but £44.1m. Sotheby's raised £2S in a couple of hours at Impressionist picture sale New York in May. Althougl per cent of Sotheby's turnc comes from lots of £5,000 under there is very little p at the bottom end of market. Indeed the auc house is re-examining its " sales" operation, which l after low priced items.

The expensive lots which l captured the headlines (boosted the profits of Sothe and Christie's)—the re price for an item in the room (the £8.14m paid Sotheby's for the Gospels Henry the Lion); the recorc a picture (a mysterious Br buyer paid £7.37m at Chris this month for a Turner scape); records for a worl Gauguin, for a contempo artist (£1.2m for a paintin Mark Rothko), a piece of s (the Duke of Northumberl: "Shield of Achilles"), dow the record for a doll (£17. for a campaign medal (£5: for the Oates of the Anta medal), and this week record of £4,620 for a golf and £2,200 for a golf ball.

British museums may have much money but Amer and continental ones are endowed and aware that if do not bid strongly for works of art now they may n have another opportunity.

The middle market, w antique dealers form the of buyers, has a more n season but it is generally again boosted by American ing. In this bright pi there is the odd cloud, flo across from Brussels. regulations on VAT and temporary works of art c if applied, threaten Lon pre-eminence as an entrepô international dealers in sector. But Sotheby's Christie's, with a confid built up over two cent believe they can deflect threat and continue their rent remarkable success.

Weekend Brief

Fishing rights and wrongs

THE WYE, on the Welsh border, is one of the best salmon rivers in Britain and certainly the best outside Scotland. One salmon in every four caught on a rod in England and Wales is taken from it; that is the legal figure, anyway.

One night some time ago a van was stopped in Brecon, South Wales, by police who had noticed water dripping through the back doors. When the driver opened them the van was seen to be stuffed full of prime salmon.

Salmon has always been a fish to attract the poacher. Mostly it has been done by a farm-worker or someone with local knowledge who has taken his net down to the river late at night and supplemented his income by selling the illegal gain to a nearby hotel. This has never been condoned by the owners of the fishing rights, but most private owners of stretches of water have always regarded this sort of poaching with a certain amount of toleration.

Not any more, though. Owners are becoming increasingly concerned at the loss of fish and are talking not so much about poaching, which has a rather pleasant or innocent ring about it, as about theft.

Owners are taking this harder line because the numbers of salmon in British rivers have dropped and as they have so the gangs have moved in. The most famous of these is known to both bailiffs and police as the Bridport Gang. This bunch of rural heavies, perhaps 30 or 40 strong, started their nocturnal activities in their native Dorset, spread out to some of the better rivers in Devon and Cornwall and have been seen associating with local poachers on the Wye.

Poaching on this scale becomes something of a big operation, if not big business. What makes the problem worse is that the Wye, like all our rivers, has just gone through a very bad spell. Last year 2,460 salmon were taken from it by rod, compared with nearly 8,000 in 1967, the best year for a long time.

The Wye is owned almost from its source high up in Plynlimon in mid-Wales to its entry 150 miles later into the Severn estuary at Chepstow. People such as the Duke of Beaufort own a stretch; so too do companies like Courtaulds and ICI, as well as Guy's Hospital in London and local fishing clubs.

These people and organisations, pay for the right to fish the river and because the Wye is such a good salmon river they pay a lot. To buy a mile of the Wye, if it ever became available, could set you back £125,000. On a good stretch, you won't see much change from £2,000 for one day's fishing a week during

the season.

Some consolation for the owners is at hand, though. The fisheries officers who patrol the Wye believe that 1980 and 1981 were good years for spawning—the best for nearly 20 years—and that within four or five years the Wye and its neighbours such as the Usk, the Twyi, the Teifi and the Daucleddau will regain their previous glories.

These glories have a distinguished history. Shakespeare had Henry V say that "there is a river in Macedon, and there is also, moreover, a river at Monmouth ... and there is salmon in both." The one at Monmouth is the Wye.

To return to Shakespearean glories will not be easy, especially as the gangs will have a more-than-sporting chance (if that is the correct phrase) of stealing.

Liverpool's pride and glory

THOUGH THERE will be 68 extra ships from 10 different countries in Liverpool docks next week, the impact of this surge of deep-sea traffic on Britain's balance of trade for August is unlikely to be significant.

However, there will be a noticeable benefit to Merseyside's stricken economy, for these vessels are all tall ships and sightseers are expected in in tens of thousands to visit them.

The first 25 vessels will start arriving in the Mersey this weekend, racing to win this year's Transatlantic Tall Ships' Race from Nova Scotia. Most are expected to have finished by Tuesday, when 43 more ships will arrive in convoy from the Clyde, having raced there from Frederikshavn, Denmark.

It will be the largest collection of tall ships seen anywhere in the world for years. Next Saturday (August 4) all of them will parade under sail on the Mersey. The event is significant enough for Buckingham Palace to announce this week that the Queen will interrupt her journey to her summer holiday at Balmoral to travel to

In the meantime, the ships will be moored in the old Liverpool docks that were once thronged with such vessels, with forests of masts and rigging once again crowding the Mersey skyline.

The most historically important mooring place, the Albert Dock, has opened for shipping again this week when Mr Patrick Jenkin, Environment Secretary, turned the restored windlass to operate the Jesse Hartley swing bridge that stands between the dock and the river.

Hartley designed the Albert

Prince Consort in 1846. Its system of secure quayside warehouses gave Liverpool a competitive edge over its rivals and accelerated the port's growth to the point where it became the second city of the British empire by the end of the century.

But the decline of Liverpool saw the warehouses fall into dereliction, in spite of being the largest collection of grade I listed buildings in Britain. They became a symbol of the region's economic collapse. The Merseyside Development Corporation, set up by the Government to

from the dead, hopes they will now come to symbolise a renaissance.

The London property group, Arrowcroft, is developing the docks into a £70m community of offices, flats, shops, craft centres, exhibition areas, workshops, pubs, restaurants and wine bars. A galleried arcade of up-market shops has opened this week, as has an extension to Merseyside Maritime Museum.

Size alone should see the completed scheme outdoing even London's St Katharine's Dock in attractiveness, especially with office rents as low as £350 to £4 per sq ft.

Visitors to Merseyside next week will be able to buy tickets at £2.50 (children £1) that will give admission to the museum, Albert Dock, the tall ships themselves and the ferry to the Birkenhead docks where the bigger vessels will be berthed. Other attractions will be a parade of crews through Liverpool next Friday and sea shanty shows at the International Garden Festival two miles up-river.

The best show, however, will be the parade of sail, when miles of Mersey waterfront will give anyone who wants to see it a free view. A spokesman for the organisers, Merseyside County Council, says there is

Confucius lives again

THE REHABILITATION of Confucius is almost complete. A new statue, which has taken three years to make, was carried to the philosopher's shrine in North-East China a few weeks ago where it is receiving its last coats of paint.

It is almost 20 years since the original Ming-Dynasty effigy of Master Kung (Kung fu-tze, to give him his real name) was seized by Red Guards at the start of the Cultural Revolution.

Led by a young woman zealot from Peking Teachers' College, Tang Hou-Lan, hundreds of Red Guards descended on the shrine at Qufu in Shandong province in December, 1966. They beheaded the clay statue and paraded it round the countryside on a cart as a symbol of the reactionary old order before smashing it to bits. Miss Tang, then in her early twenties, is reportedly still in detention in Inner Mongolia.

To-day, Confucius is once again restored to the official favour that he has enjoyed for most of the 2,500 years since his death in 479 BC. To be sure, the leaders of China's Communist revolution do not venerate him as the peasants of his native province do. But his enormous influence on China's cultural history—as well as his benign philosophy—is accorded due respect.

And of course he has commercial potential as a magnet for tourists, foreign as well as Chinese. Part of the Kung palace, where scholars used to come to study at the invitation of Confucius' enobled descendants, has been turned into a hotel for foreigners. For up to 1,000 yuan (about $450) a table they can choose from three Confucian banquet menus—the Happiness banquet, the Family banquet or the Longevity banquet, served by waiters in ancient costume, with fireworks afterwards.

There are plans for horse-drawn carriage tours of Qufu and the Kung cemetery nearby where 100,000 of Confucius' family are buried and where, despite the ravages of the Red Guards, more than 1,000 stone stelae have survived along with the tomb of the sage himself.

A new 300-bed hotel is going up across the road from the shrine and palace, built in "antique" style, in order to lure the tourist to a site that rivals the Forbidden City itself in size and opulence.

The palace was occupied by Confucius' direct descendants until 1948. The last Duke of Yang Shen (as the family heads were entitled) today lives in Taiwan. He is Kung De Chen, a professor of classical literature, who has a son living in the U.S. and married to an American girl.

As suporters of Kuomintang and friends of Chiang Kai-shek, the family could not be allowed to stay on, according to local officials. They were allowed to go to Taiwan provided they left their treasures behind.

A daughter of the former.

But one member of the Confucian nobility is still in China. thrice-married Duke, she is a member of the People's Political Consultative Conference in the city of Tianjin. She visited her old home in 1979 and said she would like to retire to Qufu.

Confucius still has many poorer relations living in and around Qufu: there are 2,000 families called Kung in the town and about 100,000 clan members altogether. Whatever they may have thought of the opulence—and occasional scandal—surrounding the royal family, there can be little doubt that the rehabilitation of Confucius has gone a long way to restore their faith in the Communist revolution. They do have one complaint, however. The face of the new statue, they say, is not a patch on the old.

Contributors

Anthony Moreton
Ian Hamilton-Faizey
Christian Tyler

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National†	7.75	8.75	8.75	Seven-day account
			9.25	Higher interest acc. 90 days' notice or charge
			6.50-8.75	Cheque-Save
Aid to Thrift	7.50	—	—	Easy withdrawal, no penalty
Alliance	6.25	7.25	7.25	Monthly income—1 mth.'s notice. 7.50 £2,500+
			7.50	28 d. not. im. wdl. 28 d. pen. if bal. und. £10,00
			7.25	7 days' notice. No interest penalty
Anglia	6.25	7.25	7.75	3-year bond. No notice. 3 months' penalty
			7.75	Capital share. No notice. 1 month's penalty
			7.25	7 days' notice. No interest penalty
Barnsley	6.25	8.00	7.90	2-year term—3 months' notice no penalty
Birmingham and Bridgwater	6.25	7.75	7.25	5 days' notice or 20 days' int. penalty £500 min
			7.75	Guaranteed fixed rate. 12 months £500 mi
Bradford and Bingley†	7.75	8.75	9.00	Premium Access. On demand, no penalty
Britannia	6.25	7.25	7.25	7 days' notice, 7.50 28 days' notice
Cardiff	7.25	7.75	*7.50	* Share account balance £10,000 and over
Catholic	6.50	7.50	8.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)†	8.85	—	9.30	permanent 2/3 years or variable
Chelsea	6.25	7.25	8.10	3 years, immediate withdrawal interest penalt
Cheltenham and Gloucester	6.25	7.25	7.50	Gold account £1,000+. No notice. No penalties. Monthly int. £5,000+ 7.76 if added to account
Citizens Regency	6.50	8.00	7.40	Plus account no penalty. Double option 7.50
City of London (The)	6.50	7.25	8.00	6 months' notice—no penalty during notice
Derbyshire	6.25	7.50	8.00	7.25 1 month's notice, 6.75-7.60 3 months' notic
Gateway	6.25	7.25	7.25	£1,000+/7.50 £10,000+ Gold Star
Greenwich†	6.25	—	9.25	7 day a/c 8.75-9.25 subject to balance
Guardian	6.50	—	8.15	6 months, 7.75 3 months, £1,000 minimum
Halifax	6.25	7.25	7.25	7-day Xtra, 7 days' notice, no penalty
			7.50	28-day Xtra, 28 days' notice, no penalty
			7.75	90-day Xtra, 90 days' notice, no penalty
Heart of England†	7.75	9.00	9.25	90-day notice, 8.75 5-day notice
Hemel Hempstead	6.25	7.50	8.00	2 years, 7.60 28 days, 7.35 over £5,000
Hendon†	8.90	—	8.90	3 months
Lambeth	6.40	7.50	8.05	28 days' plus loss of interest, 7.25 3 months
Leamington Spa	6.35	—	7.50	Spa income, pd. monthly, no notice, no penalty
			7.75	Lion 30 days' notice, or penalty, £1,000 min.
Leeds and Holbeck	6.25	8.00	7.75	Monthly interest, 7.75 1 month's notice or pen.
Leeds Permanent	6.25	7.25	7.75	HRAS 3 m. nt. no pen. 7.50 EIA 28 d. nt. no pn.
Leicester	6.25	7.25	8.00	compounded, 3 years, 7.50 28 days' notice
London Permanent	6.75	—	7.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	6.25	7.75	9.25	28 days' notice/immed. 60 days penalty
Mornington	7.50	7.50	—	Prompt withdrawals—no penalty
National Counties	†6.55	7.55	7.80	1 month's notice (no penalty). † £1,000+
National and Provincial	6.25	7.25	7.50	1 month's notice or immediate and interest los
Nationwide	6.25	7.25	7.75	Capital bonds, 3 years, 90 days' notice/penalty
			7.50	Super bonus account, 60 days' notice/penalty
			7.25	Bonus—7 accounts, 7 day's notice/penalty
Newcastle	6.25	7.50	7.75	90 days' notice, or on demand with penalty
			7.25	28 days' notice, or on demand with penalty
Northern Rock	6.25	7.50	7.50	Moneyspinner plus, 7 days' notice withdrawal. No penalty, minimum investment £10,000
			7.25	On investments £1,000-£9,999
Norwich	6.25	7.50	7.50	City account. Immed. withdwls. with no penalty
Paddington	6.75	8.25	7.75	1 mth.'s not. or 1 mth.'s int. loss on sums wdn.
Peckham	7.00	—	7.50	7 days, 8.0 3 months.
Portman	6.25	7.75	7.75	Two months' notice, 7.50 no notice
Portsmouth†	8.05	9.55	9.70	3 years, 9.50 6 months, 9.25 1 month
Property Owners	6.75	8.00	7.75	7 dys., 7.85 28 dys., 8.10 6 mths., 7.50 mthly. inc.
Scarborough	6.25	7.50	8.00	2-year limited share, 1.75 guarantd. differentia
Skipton	6.25	7.50	7.75	Sov'reign £10,000+, 7.50 £5,000+, 7.25 £1,000+ No penalty. No notice monthly income
Stroud	6.25	7.50	7.85	3 months', 7.60 £10,000+ no penalty, no notice
Sussex County	6.25	8.00	7.25	7 days' notice, 7.50 SxSh, 6.50 Sh a/c £2,500+
Sussex Mutual†	8.25	9.50	9.25	Monthly income at 1 month's notice
Thrift	7.15	—	8.15	3-year term. Other accounts available
Town and Country†	7.75	8.75	9.50	90 days' not. or pen. if bal. goes under £10,000
			9.00	7 day's not. or pen. if bal. goes under £10,000
Wessex	7.60	—	—	No notice. No penalties
Woolwich	6.25	—	7.25	7-day account, 7 days' notice
			7.50	28-day account, 28 days' notice/penalty
			7.75	90-day account, 90 day's notice/penalty
Yorkshire	6.25	7.25	7.75	Diamond key, 60 days' penalty or 28 days' notice without penalty

† Rates effective from August 1 1984.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK COMPANY NEWS

Monopolies probe blocks £175m BET bid

BY RAY MAUGHAN

THE £175m bid by British Electric Traction to take full control of Initial, its 41.16 per cent-owned cleaning affiliate, was blocked yesterday by a reference to the Commission on Monopolies and Mergers.

The Department of Trade and Industry said yesterday that Mr Norman Tebbit, the Secretary of State, "considers that this merger raises issues of competition in the textile maintenance market which merit investigation." The reference has been made on the advice of Sir Gordon Borrie, the Director-General of the Office of Fair Trading, and the Commission has been given six months in which to complete its report.

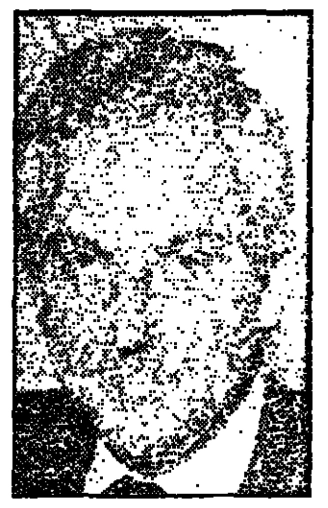
The City has seen a plethora of takeover bids in the cleaning sector in the last two years, some successful, others less so, and the Commission was able to glean many reasonably up-to-date statistics concerning the sector when it examined the rival bids for Johnson Group Cleaners from Sunlight Service Group and Initial.

Both takeovers were blocked in May last year, but the Commission's summing up included a verdict on the relationship between BET and Initial and BET and its other cleaning offshoot, the 80.8 per cent-owned Advance.

Using information which is now three years out of date, the Commission found considerable areas of concentrated power between Initial and Advance within the overall textile maintenance markets.

For example, the combined companies controlled 31 per cent of the workwear rental market, 64 per cent of the cabinet towel rental sector and 66 per cent of dust mat rental.

But BET was disappointed, to put it no more strongly, with the OFT decision yesterday, given that the Commission had concluded last year that "in their trading activities Initial and Advance appear to be as much in competition with each other as each is with other companies in the industry." When considering the effects of a successful merger with Johnson, the Commission said that it had not aggregated the market shares of Initial and Advance.



Mr Nicholas Wills, the chairman of Initial and managing director of BET

BET was also concerned that it had not been able to obtain confidential merger guidance from the OFT before the bid was announced on May 30, despite the prominence the Minister had given this facility in a recent policy statement on competition. BET added that the authorities had not been prepared to discuss any changes to the terms of the proposed takeover which would have mitigated the effects on competition. The group had indicated that, at the extreme, it would have been prepared to sell its holding in Advance.

The terms for the acquisition of Initial had been increased in the face of the opposition from Initial's independent directors and were eventually agreed on terms which comprised nine BET shares and £[illegible] in cash for every 10 Initial shares.

These terms, which at the outset valued the outstanding equity at £175m, were accepted by holders of [illegible] per cent of the shares under offer at yesterday's first closing date and BET would have been able to [illegible] acceptances with 58 per cent [illegible].

[illegible] Sir [illegible] Dundee, the BET chairman, said yesterday: "We do not [illegible] the reference [illegible] matter. We [illegible] [illegible] moves — [illegible] — are already well under way."

Shares in Initial [illegible] 53p to [illegible] after the announcement, after falling at one stage to 410p.

Eurosterling loan of £200m for Lloyds Bank

LLOYDS BANK is to raise up to £200m through a Eurosterling loan. A sum of £100m is to be offered in the first instance, with a maximum of £100m to be issued subsequently as a tap.

The loan is being managed by Lloyds Eurofinance NV, and guaranteed by Lloyds Bank. The coupon will be pitched at ½ per cent over 3 month LIBOR, subject to a minimum of 5 per cent. Denominations are £5,000 and £25,000, and the stock is to be listed on the London Stock Exchange.

Speculation

There had been some speculation in the City that Lloyds might follow the recent example of National Westminster Bank in resorting to shareholders for a rights issue. The last Budget substantially increased the tax liability of the clearing banks by changing the rules on deferred taxation, and this had an adverse impact on the banks' capital ratios.

Lloyds said last night "this kind of issue is simpler and more cost-effective than a rights issue under present market conditions." The bank also stressed that despite the Budget changes, its capital ratios remain strong. "The issue is designed to provide flexibility for further expansion plans," Lloyds said.

Maturity

The loan has a maturity of 12 years, but a sinking fund will operate over the final five years, giving an effective average maturity of ten years. The loan is to be issued at par, on a total commission of 1.2 per cent, split as to 0.25 per cent for the management fee, 0.25 per cent for the underwriting fee and 0.7 per cent in selling commission. Lloyds has the option to redeem the issue at any time on or after August 1989.

At £200m, this will be the largest loan yet seen in the Eurosterling market. The Bank of England normally imposes a ceiling of £100m on such loans, but Lloyds has in this case obtained an exemption. The Bank of England sets an overall limit of 33 per cent on the proportion of subordinated debt within a bank's capital base.

Britoil's net profit enhanced by cuts in interest and tax

BOTH CRUDE oil and gas production were increased by Britoil in the first six months of this year and, after all charges, the company returned higher net profits of £63.4m compared with £52.5m.

The profit advance was achieved on the back of a £10.2m reduction to £2.1m in interest charges and an overall £5.7m cut in Britoil's tax bill.

The decrease in interest payable enabled Britoil to reverse a fall in its operating profit and show a £5.2m increase to £280m at the taxable level.

Although safeguard credits were virtually halved at £15.6m (£29.4m), Britoil paid less Corporation Tax of £66.4m (£82.7m) and Petroleum Revenue Tax, excluding safeguards, was lower at £165.8m (£169m).

Crude oil production rose from 26.8m to 27.3m barrels and gas output increased by 5.9m to 41.9m cu ft. Total group turnover for the period amounted to £631.9m against £568.8m.

Reflecting the increase in net profits, earnings per 10p share rose by 2.16p to 12.66p. The interim dividend is being held at 3.3p net per share.

Britoil's operating profit included a provision for unrealised currency losses of £17.6m resulting from the revaluation at June 30 of borrowings denominated in dollars.

In accordance with existing accounting practice, Britoil takes these losses to its profit and loss account.

However, their impact is ameliorated by exchange gains on dollar investments made by the company using balances held over and above normal working capital requirements.

The dollar decline led to an average sterling realisation of £21.3 per barrel in the first half, compared with £19.83 per barrel in 1983.

The increase in PRT provisions largely reflects the reduction in safeguard benefit, as both Montan and Murchison are expected to move out of safeguard protection at the end of June 1984. The safeguard benefit attributable to these two fields in the period under review is spread over the whole of 1984.

Comparisons have been adjusted to reflect the change in accounting policy for PRT included in the full year accounts for 1983.

Exploration activity costs totalled £63.1m (£47.9m) on the UK Continental Shelf and £14.7m (£5.8m) overseas. In total, some £51.4m (£38.7m) was written off to Britoil's profit and loss account.

Britoil's production entitlement from the UK Continental Shelf producing fields for the first six months of 1984 remained steady at around 149,000 b/d.

The company maintained its position as one of the most active explorers on the shelf, participating in 22 exploration and appraisal wells spudded during this period, of which it was operator for seven.

Appraisal drilling is in hand to define potential developments in Amethyst and Ettrick.

During the first six months, Government approval was received for the development of the Sean gas fields in which Britoil has a 25 per cent interest. An application has been made to the Government to develop Deveron, a Britoil-operated satellite field separate from, and to the west of, Thistle.

Production commenced from the Britoil-operated Beatrice B platform, which has enabled the field to produce at peaks over 50,000 b/d.

See Lex

Shell £5m agreed bid for Glossop

By Ray Maughan

Colas Products, the Shell UK subsidiary which makes bituminous materials for the building industry, has agreed to pay £5.2m in cash for Glossop, the road surfacing group.

The terms are 70p per share which values the existing Glossop equity at £4.99m and the balance is made up by the acquisition of 300,070 shares, which may be issued under the Glossop share option scheme. The two independent directors of the company are recommending acceptance and 16.5 per cent of the ordinary capital is irrevocably pledged to the bid.

At the same time, Glossop is selling its AAA Industries subsidiary to its directors for £300,000 in cash. The buyers are Mr Digby Burnell, Glossop's chairman and chief executive and two other Glossop main board directors, Mr N. A. P. Raymer and Mr D. W. Harris. All three will resign their Glossop directorships if the Colas deal is approved and provided they receive backing for the buy-out. In return they will receive an aggregate £110,000 "in connection with their resignations."

AAA, formerly Anglo American Asphalt, manufactures pipeline protection materials and waste gas recovery systems, and was acquired by Glossop in May two years ago on terms which valued the company at £1.89m. AAA held 28 per cent of Glossop's shares at the time and these were placed by brokers Laurence Prust at 64p per share.

Reporting last June on the year to January 31, 1983, Mr Burnell told Glossop shareholders that "the wisdom of this acquisition (to acquire AAA) is borne out by the fact that this year's results would have been more disappointing had it not been for the contribution from the AAA group of £231,000." Profits for the group as a whole that year fell from £529,000 to £354,000. In the subsequent six months they fell from £419,000 to £402,000 after a sharp rise in interest payments.

Loans supporting the AAA buy out have already been agreed to be provided "subject only to the lenders being satisfied with the titles to properties to be charged as security." The offer document will contain an estimate of the loss before tax of AAA for the 18 months ending July 31.

Tesco optimistic

Sir Leslie Porter, the chairman of Tesco, told members at the annual meeting that the current year so far had gone well.

He added that Tesco was at present ahead of budget forecasts. He therefore viewed the future with cautious optimism.

Tesco recently won two planning appeals for new superstores at Solihull at Warwickshire and Folkestone in Kent.

U.S. side helps lift Lex Service by 54%

Lex Service Group, the automotive and electronics components distributor, lifted pre-tax profits by some 54 per cent from £17.5m to £26.9m in the half-year to July 1, 1984, largely due to a sharp increase in U.S. profitability. Turnover rose by 39 per cent from £408m to £567.6m.

Mr T. E. Chinn, the chairman, points out that the company cannot expect the rate of growth in first-half taxable profits to continue on a comparable basis in the second six months. However, it can look forward to a satisfactory increase over what was an exceptionally strong period last year.

Looking further ahead, he says the results will inevitably be affected by the economic environment in the U.S., as well as that in the UK and Europe.

After a more than doubled tax charge of £12m, against £5.4m, earnings per 25p share improved from 17.7p to 18.9p. The interim dividend is increased 0.4p to 4.1p net—last year's total was 9.75p on £38.3m on profits.

At the operating level, half-yearly profits advanced from £19m to £31.2m. These were split between:—automotive distribution—UK £15.6m (£18.2m) and U.S. £0.7m (£0.4m loss); electronic components distribution—UK £3.3m (£0.6m), U.S. £11.4m (£2.3m) and West Germany and France £2.1m (£0.1m loss); transportation and distribution services—UK £1m (£1.2m).

While total UK profits were little changed at £19.9m (£20m), the U.S. side hoisted its contribution from £1.9m to £12.1m.

The chairman reports that the UK passenger car market, although competitive, remains buoyant and it is likely that registrations for the full year will be close to 1983's record levels.

Sales rates in the electronics components distribution businesses remains strong. The consensus of U.S. industry forecasts is for growth of some 30 per cent in 1984 and of 20 per cent in 1985.

● comment

It is no mean feat to transform oneself from a humble car dealer into one of the world's largest distributors of semi-conductors inside just three years. Thanks to Schweber, this is exactly what Lex has done, the latest results showing that profits from electronic components have eclipsed the old core business for the first time, thus justifying last October's strategy of pushing most of the £80m rights into inventory to fuel the strong demand from OEMs and software integrators. This said, the note of caution from the company reinforces industry forecasts that chip demand may well have peaked, which means growth on a more modest scale from now on in this division. On the vehicle distribution side, industry forecasts also suggest a softening in demand but any shortfall in volume could very well be offset by better margins from several new top-of-the-range Volvos to be introduced later this year. With the present momentum, this year's outcome could top £52m for a prospective multiple of around 9.3 at 343p, down 15p — a rating which reflects the unexpected high tax charge and short-term caution rather than the longer view.

Hallite plunges into the red

A FURTHER deterioration in second-half trading, following disappointing midway results, left Hallite with a pre-tax loss of £93,000 for the 52 weeks to April 28 1984, as against a £1.02m profit previously. At halfway, profits had fallen from £473,000 to £152,000.

After considering the 1983-84 results, the action taken to deal with the problems which produced the figures, and the future cash requirements of the group, the board has cut the final dividend from 7.5p to 4.75p for a reduced total of 7.75p (11.5p) net.

Turnover of this maker of synthetic rubber and plastic precision seals rose from £11.17m to £13.3m, but this was largely attributable to the acquisition of Poppe Rubber Company during the year.

Operating profits slumped from £1.18m to £176,000. The main area for concern was the UK where both Hallite Seals, the largest subsidiary, and Hallite Hilyn had a very unsatisfactory year. UK operating profits fell by £1.27m to £26,000, but this was partially offset by a turnround overseas to £150,000 profits (£115,000 losses).

A critical review of each company in the group is in hand to assess future prospects. Particular attention is being given to profitability and return on assets employed, and to the elimination of inadequately profitable operations.

The group also intends to exploit its existing technology by means of royalty agreements for the transfer of know-how to territories where it does not trade. Discussions concerning one such agreement are already well advanced.

The benefit from both these initiatives are expected to arise in the second half of 1984-85.

Losses per 50p share came out at 5.8p (29.2p earnings) for the year on a net basis, and 4.1p (33.2p earnings) on a nil basis. Tax charge was down from £313,000 to £51,000, but extraordinary debits increased to £119,000 (£24,000).

● comment

Hallite gave no warning at the interim stage that business was so bad. Accordingly, the shares plummeted 20p to a three-year low of 150p, valuing the group at £4.1m, 62 per cent below net assets. Part of the problem was that Hallite Seals, the largest subsidiary, shot itself in the foot by reducing finished stocks so severely during a downturn in demand in 1983 that it was unable to cope with a subsequent increase in orders. A two-month strike was no help, and delivery problems continue to dog the first half of this year. The directors' absence yesterday afternoon — perhaps understandable following their announcement of Hallite's worst results for many years—makes it impossible to quantify how much of the damage came from the misjudgment of stock levels. The other major factor was a decline in orders from the National Coal Board, which then suspended deliveries entirely at the outbreak of the miners' strike. With the share price at this level, formerly frustrated potential bidders could well be tempted to take another prod.

Thumbs down for Chloride action group

By Alexander Nicoll

The shareholders action group which has been pressing Chloride, the battery group, to pay a dividend on ordinary shares yesterday failed to get its nominee, Dr Maurice Gillibrand, elected to the company's board.

At a 90-minute AGM, Sir Edwardes, Chloride chairman, allowed Dr Gillibrand to argue his case. A former head of group research at Chloride, Dr Gillibrand left the company in 1972 and now heads the action group, which claims to represent about 1.3m shares or [illegible] per cent of share capital.

The motion to elect Dr Gillibrand to the board, which was opposed by Chloride, was defeated on a show of hands. But proxies showed 76m votes against and 3.4m for his appointment.

The action group had said the company should restore its dividend by freezing employees' wages and directors' remunerations, as well as through voluntary redundancies.

A shareholder who was also an employee and trade union official criticised the action group at the meeting.

Hawker extends offer for Fenner

Hawker Siddeley yesterday extended its offer for the Hull-based engineering group J. H. Fenner after receiving acceptances representing only 4.1 per cent of Fenner ordinary shares at Thursday's first closing date.

Hawker, which already owns 16.4 per cent of Fenner, extended its bid until August 9. Fenner opposes the offer.

Hawker is offering two of its own shares plus 405p in cash for every nine Fenner shares. Hawker closed yesterday at 409p, down 6p, valuing the offer at 136p. Fenner closed unchanged yesterday at 137p, valuing the company at £42.15m.

£12m semiconductor acquisition for Plessey

BY GUY DE JONQUIERES

Plessey, the British electronics and telecommunications group, has agreed in principle to invest about £12m to acquire the semiconductor business of Storage Technology, a U.S. computer peripherals maker.

The business, Microtechnology, makes specialised microelectronic components at a 64,000 sq ft plant in Louisville, Colorado and is currently running at a loss. Plessey expects to restore it to profit by next April by expanding Microtechnology's annual turnover to about £20m, more than double last year's sales.

Microtechnology, which was founded in 1979, employs 180 people and most of its output is bought by Storage Technology. Plessey plans to continue to supply Microtechnology's existing customers as well as adding new orders.

Plessey already owns a U.S. semiconductor plant in Irvine, California and has two UK plants at Plympton, near Plymouth, and Swindon, Wilts. It is investing £50m to build another plant in Plymouth, which will employ 600 people by 1990.

Most of Plessey's output is of specialised microchips, designed particularly for applications in telecommunications and defence electronics.

Storage Technology makes a range of computer storage systems and printers and had sales last year of $887m.

Goldsmiths plans more expansion

BY ALEXANDER NICOLL

MR ANTHONY GOVER, chairman of the jewellery and betting shop group Northern Goldsmiths, plans to absorb his private insurance broking company into Northern.

The Newcastle-based group, which has been rapidly expanding through acquisition, also plans a substantial addition to its retail jewellery chain through the purchase of a jeweller from Mappin and Webb.

Northern is acquiring Walker and Hall, a jeweller which, through Mappin and Webb, is part of the Sears group. It will pay £100,000 plus Walker's net asset value at August 18. Subject to adjustment then, an estimated payment of £4.63m will be made through the issue of 2.65m Northern shares.

Northern has made arrangements for these shares to be placed.

Walker, based in Leicester, sells up-market jewellery through 38 outlets and four concessions, one of which it will retain. Northern said the acquisition would give it better coverage geographically and stronger purchasing power. It will have 90 branches.

Northern's other acquisition represents a departure which will create a third division of the group. Anthony Gover, a Southend-based insurance consultancy and brokerage controlled by Mr Gover, has 30 outlets in the Home Counties.

Gover owns 19.8 per cent of Northern, and this holding will be placed with institutional shareholders. But the vendors of Gover will receive Northern shares.

Northern is acquiring Gover for £500,000 in cash plus 1.5m Northern shares. Up to 950,000 more shares may be allotted depending on Gover's results.

The proposals are subject to approval by Northern shareholders at an EGM. Northern shares were unchanged at 196p yesterday.

It forecast a total dividend of 7.5p for the year ending February 28, 1985, including an interim of 2p, and said the company is performing in line with budget.

Strong demand levels at Trent

Trent Holdings has continued to experience record demand for its security, anti-ballistic, and fire resistant doors and reports that taxable profits for the 1983-1984 year rose by 41 per cent from £363,987 to £512,171.

The result was achieved on sales just over £1m higher at £4.24m and was struck after an increased depreciation charge of £105,584 against £69,317—interest payable and similar charges were reduced to £30,962 (£37,888).

Following an effective 25 per cent increase in the interim dividend, shareholders are set to receive a higher final payment of 0.525p (0.42p) which lifts the total payout for the year to March 31 by 20 per cent to 0.875p.

Stated earnings per share rose by 52 per cent to 7.62p after a much lower tax charge of £4,719 (£37,320).

Although production was increased during the year delivery times were still longer than the directors would have wished. Steps have been taken which are expected to lead to a continued increase in production for the current year.

Parker Winder and Achurch, a specialised architectural ironmongery, door and security fittings merchant, which was acquired last October, has been thoroughly reorganised and is already producing encouraging results.

Its present order book shows an increase of over 30 per cent compared with the level at the year end. The directors are considering a number of proposals for expansion related to the group's current activities.

The industrial development at Newbury, Berkshire, is expected to be completed by the early part of 1985.

● comment

Trent Holdings is in the security business but not the glamour side of electronic surveillance and alarms. It makes specialist doors varying in strength from one to prevent a vandal from putting the boot in, to stopping a bullet fired at short range. Its customers are equally varied, from local councils rebuilding vandalised blocks of flats to Arabs who fear for their lives. Demand continues to outstrip supply, but the company is expanding as quickly as it can within the time constraints of finding staff suitably trained to manufacture the products. The directors want to move into the production of other security fittings including retail counters, and are looking around for a suitable acquisition. The £225,000 purchase of Parker Winder and Achurch gives Trent an established sales network in the UK and overseas through which it can source and distribute its products. Future growth depends very much on the timing and size of acquisitions, but the existing business should continue to expand well making a pre-tax profit of £660,000 possible for the current year to March 1985. The shares, 3p down at 85p, on an expected 10 per cent tax rate sell on a prospective PE of 10.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The focal point in an eventful week on the takeover front was Thursday when telecommunications giant Standard Telephones and Cables caught the market unawares by bidding for ICL, the largest British-owned computer manufacturer. Initial speculation concerning the identity of a possible predator was aroused by a Hoare Govett market raid which netted 9.8 per cent of ICL at just over 77p per share. STC then emerged as the suitor by announcing terms of two shares in exchange for every seven ICL, with a cash alternative of just over 77p per share. The offer, which received a hostile reception from ICL, has raised questions in Parliament and is to be examined by the Trade and Industry Secretary.

Earlier in the week, Stock Exchange trading had been enlivened by a surprise offer by sugar refiners Tate and Lyle for Brooke Bond, the PG Tips and OXO food group. A shares and cash offer which comprises one Tate and Lyle share plus 50p cash for every seven BB was swiftly rejected by the latter's board as "wholly inadequate and not in the interests of shareholders, employees or customers." Thereafter, Brooke Bond shares rose steadily amid persistent talk of a counter-bid from either Dalgety, Associated British Foods or S. & W. Berisford.

As widely foreshadowed in last weekend's Press—much to the chagrin of the potential victim—Henly's, the loss-making BL dealers and perennial takeover chestnut, were the subject of an offer from Midepsa, the Montreal-based investment vehicle effectively controlled by Mr Michael Ashcroft of Hawley fame, and Mr David Wickins, chairman of both British Car Auctions and Group Lotus. The cash offer of 120p per share values Henlys at £16.8m. Midsepa already holds a near-30 per cent stake in Henlys via its takeover of coachbuilders Coleman Milne, the bid for which was declared unconditional on Monday. As expected, Henlys rejected the offer as inadequate, although any defence will require the continued support of the Bank of Scotland which retains a 29.6 per cent stake through its North West Securities subsidiary.

Kennedy Brookes, the fast-growing restaurant and hotel group, which takes in the Mario and Franco and Wheeler's establishments, launched an agreed bid for London Pavilion in a move aimed at expanding the recently-opened and successful Trocadero development in Piccadilly Circus. The terms, 7.55 Kennedy shares for each LP, with a cash alternative of £18 per share, value the latter at around £2.7m. Kennedy stated its intention to retain London Pavilion's Stock Exchange listing and will retain only 51 per cent of the equity after completion of the offer, placing the remainder with independent investors.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aquis Securities	55*§	53½	43††	13.82	Guardian Ryl Ex
Brooke Bond	96§§	110	77	298.97	Tate & Lyle
Comben	77*	75	56	44.19	Trafalgar House
Cope Allman	88½*	89	96	34.87	Midepsa
De Vere Hotels	320*	312	307††	44.52	BET
Fenner (J. H.)	136§§	137	114	34.98	Hawker Siddeley
Glossop	70*	67	65††	4.99	Colas
Grindlays	275*	263	165	181.95	ANZ
Hadland	145*	150	140	4.63	Xenotron
Henlys	120*	127	120	16.81	Midepsa
ICL	77.14†	81	61	346.88	Standard Tel & Cables
Lincroft Kilgour	112§	105	106	4.03	Finlan (J.)
Ldn Pavilion	£19½	£22¾	£16½	2.54	Kennedy Brkes
Marshalls Unvrsl	61½	48	46	9.92	Grovebell
Midsummer Inns	240*	240	155	1.39	Swithland Leisure
Pactrol	255*	240	180	4.08	IMI
Phoenix Assce	650*	633	472	396.63	Sun Alliance
Priest Marians	450*§	440	575	0.37	Mr Simon Fussell
Whatlings	112*	113	89	5.76	Marchwiel
Woodward (H.)	76†	74	56	1.82	Bridgend Process

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on 27/7/84. †† At suspension. §§ Shares and cash.

Offers for sale, placings and introductions

Blue Arrow—USM placing of 750,000 shares at 75p per share.

Jaguar—Offer for sale of 177,880,000 shares at 165p per share.

Scanro—USM placing of 10 per cent of equity.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AAH Holdings	Mar	10,470	(9,200)	14.4	(13.3)	6.18	(5.62)
Aero & Gen Inst	Mar	1,020	(1,090)	17.3	(15.4)	5.0	(4.5)
Amalgmtd Foods	Apr	315	(565)L	—	(—)	—	(—)
Assoc Brit Eng	Mar	258L	(1,020)	—	(5.2)	0.36	(0.65)
Bespak	Apr	2,110	(1,800)	12.7	(16.7)	3.75	(2.0)
Black Arrow	Mar	1,040	(876)	12.1	(7.3)	3.5	(3.0)
Boulton & Paul	Mar	9,350	(3,880)	14.6	(19.0)	—	(—)
Brasway	Apr	422	(389)L	6.5	(—)	2.0	(1.0)
Bristol Even Post	Mar	2,480	(1,850)	20.7	(19.6)	16.5	(16.0)
Brown, John	Mar	5,610L	(8,610)L	—	(—)	—	(—)
Brunning Group	Mar	452	(624)	10.0	(11.9)	4.73	(4.73)
Caledonian Oil	June	798L	(981)L	—	(—)	—	(—)
De Brett, Andre	Mar	30L	(566)	—	(—)	1.0	(2.5)
Dee Corporation	Apr	28,310	(16,983)	41.5	(25.8)	19.0	(16.0)
de Groot, Cowan	Apr	880	(224)	3.8	(—)	2.0	(2.0)
Equipu	Apr	876	(543)	14.1	(12.3)	4.0	(3.4)
Ingram, Harold	Apr	34	(3)	0.9	(11.1)	—	(—)
Lovell, G. F.	Mar†	38L	(19)L	0.5	(—)	3.0	(2.0)
Merrydown Wine	Mar	937	(497)	—	(—)	6.0	(5.0)
Munford & White	Mar	201	(451)	6.7	(6.8)	2.0	(1.0)
Norton Opax	Mar	1,300	(936)	8.0	(10.1)	3.0	(2.17)
Nw Court Nat Res	Mar	1,760	(1,290)	4.1	(2.5)	1.5	(1.2)
Phoenix Timber	Mar	936	(955)L	26.8	(—)	4.0	(—)
Radiant Metal	Feb	76	(23)	—	(—)	1.5	(1.0)
Real Time Control	Mar	817	(854)	7.3	(5.9)	2.0	(—)
Rexmore	Mar	647	(561)	4.7	(2.9)	1.46	(1.3)
Robertson Res	Mar	1,820	(1,100)	10.2	(9.1)	1.0	(—)
Security Centres	Mar	4,500	(1,340)	17.1	(10.2)	2.3	(1.85)
Singlo Group	Apr	1,950	(1,510)	4.8	(4.1)	1.55	(1.32)
Symonds Eng'g	Mar	294	(144)	2.0	(0.9)	0.85	(0.79)
Warehouse Group	Mar	265	(178)	36.3	(33.6)	3.75	(3.13)
Watshams	Mar	1,460	(1,210)	34.5	(27.3)	13.73	(12.1)

Scrip Issues

Brasway—One for one.

Dee Corporation—Four for one.

Merrydown Wine—One for eight.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Textiles	Mar	1,600	(1,490)	2.82	(2.82)
Barlow Holdings	June	3,530	(3,680)	1.0	(1.0)
Bowring C. T.	June	56,800	(51,900)	—	(—)
Com Bnk of Wales	June	777	(625)	—	(—)
Cons (Cmp & Fn)	June	131L	(200)	0.1	(0.18)
Dewhurst & Prtnr	Apr	67	(58)	0.25	(0.23)
Electronic Mchn	Mar	15	(23)	—	(—)
Grnwich Cab Com	Feb	144L	(135)L	—	(—)
Imp Chem Ind	June	532,000	(298,000)	12.0	(10.0)
Jacobs John I.	June	615	(562)	1.2	(1.0)
Jourdan, Thomas	June	314	(236)	1.75	(1.73)
Ladies Pride	May	166L	(74)	0.5	(0.5)
Midland Bank	June	70,000	(136,000)	11.0	(11.0)
Mt Charlotte Inv	July‡	3,530	(1,400)	0.46	(0.4)
Nottingham Man	June	7,180	(6,850)	1.45	(1.35)
Port & Snd Nws	June¶	865	(832)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. † Figures for 17 months. ‡ 28 weeks. ¶ 13 weeks. L Loss.

The prior year figure for Great Universal Stores which appeared in last week's table was incorrect, the figure should be 201,364.

Rights Issues

Falcon Resources—Raising £4m through a one for two rights issue at 85p per share.

London and Overseas Freighters—To raise £8.6m through a rights issue on basis of four new preferred ordinary shares at 40p for every 25p ordinary share held.

Norton Opax—Is asking shareholders for £3m through a one for three rights issue.

UK COMPANIES

RESULTS DUE NEXT WEEK

FOLLOWING Midland Bank's interim results last Thursday, the big four clearers will complete their half-time reporting season next week, when National Westminster, Barclays and Lloyds publish their figures for the six months to June.

● Nat West will be first into the field on Tuesday. Few analysts see any reason to quibble with the forecast it made at the time of its recent £236m rights issue of an increase in pre-tax profits from £230m to £285m. The group has predicted a 5 per cent interim dividend increase to 12p net. Bad loan provisions, meanwhile, are expected to follow their recent downward trend to around £120m, against the previous interim's £135m.

● If any clearing bank follows Nat West and Lloyds into the post-budget changes capital rebuilding queue, the City feels it is most likely to be Barclays, which announces its figures on Thursday. Bankruptcies have been running at record levels among domestic corporate borrowers, and there have been problems with a few large borrowers in the U.S. energy industry, pointing to a rise in provisions from £202m to perhaps £210m. Lending margins in the UK will have been squeezed by the fact that money market rates have been moving ahead of base rates until recently, but continued improvements from the U.S. non-energy related and South African businesses should help to lift pre-tax profits from £220m to around £310m. The consensus is for a 9 per cent rise in the net dividend to 12.5p.

● Lloyds, the smallest of the quartet, which unveiled a Eurosterling loan yesterday, is due to report on Friday. At the full-year stage last March, specific bad debts provisions were down by nearly a quarter. Provisions overall are still expected to be a burden, although analysts expect the bad debt charge to be down from £119.8m to around £105m, two-thirds of which would relate to Lloyds Bank International, with its relatively high exposure to Latin America and Hong Kong. The growth in LBI's operating profits is expected to have slowed, but a healthy increase in the group's fee and commission income as well as advances in personal lending points to an increase in total pre-tax profits from £194m to about £220m, with the dividend up by 7 per cent to 9.5p net.

● The stock market has been unkind to Mercantile House recently, perhaps on the grounds that a group which has grown so rapidly through use of its own paper could be vulnerable to suggestions of a bear market. And the acquisition of Wall Street broker Oppenheimer now looks less dazzling in the light of fourth quarter losses lately reported by such as Merrill Lynch. But Mercantile's full-year figures to end April, due on Tuesday, are expected by optimists to reach £56m-£57m pre-tax, against £44.7m last time (though some forecasts are much lower). If, through the help of its fund management side, Oppenheimer stays materially in the black in the fourth quarter, an expected strong performance from money broking, and from active trading in U.S. government fixed interest securities, should bear out the optimistic case. The market's attention would then switch to the outlook for Mercantile's latest acquisitions in UK stockbroking and discount houses.

● The optimistic tone of the Lonrho chairman's statement on publication of the 1983 report and accounts has encouraged the market to expect a strong improvement in the pre-tax profits for the six months to March. Forecasts average around £52m up from £43.4m. A 1p net interim dividend has already been announced so a further 3p net is expected on Thursday. The first half will include a strong associate contribution from House of Fraser; in the leisure division, the Princess Hotel group has achieved high occupancy rates, while the UK gaming interests should also report good business. some loss elimination and productivity improvements in UK manufacturing should result in an improved contribution.

● Hogg Robinson Group has for some years lagged behind the other major insurance broking groups in performance. However, at the half-year stage the company appeared to have broken out of its profits straitjacket and the market anticipates that the full year's results due on Monday, will confirm that this improvement continued during the second half of the year. As yet, the improvement is likely to be modest, with the market looking for pre-tax profits to rise from £10.6m to somewhere in the range £11.5m to £12m. The new management team is reviewing all the group's broking activities, but better figures from this area are being diluted by the flat Lloyd's agency results. The full profit potential from the expanding travel agency and road transport operations is still a year or so away. The interim dividend was lifted 10 per cent—the first rise for four years—and shareholders can look forward to a similar rise in the final dividend.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Ailsa Investment Trust	Tuesday	0.7	1.15	0.5
Aim Group	Tuesday	1.9	3.85	1.9
Arlington Motors Holdings	Tuesday	2.5	4.0	2.5
Black, Peter Holdings	Thursday	0.875	1.75	0.945
Cray Electronics	Monday	0.435	1.32	0.566
Gordon and Gotch Holdings	Tuesday	3.0	4.5	3.0
Herrburger Brooks	Wednesday	—	—	—
Hogg Robinson	Monday	3.0	3.0	3.3
Jarvis, J. and Sons	Tuesday	7.2	8.8	7.2
Macarthys Pharmaceuticals	Tuesday	2.0	5.0	2.0
Mercantile House Holdings	Tuesday	2.5	7.5	3.75
Munton Brothers	Monday	1.5	1.5	1.5
Park Food Group	Tuesday	—	—	—
Preedy, Alfred and Sons	Monday	0.75	2.75	0.75
Reed Executive	Tuesday	0.1	—	0.1
Routledge and Kegan Paul	Monday	—	—	—
Smith, David S. (Holdings)	Tuesday	2.5	1.0	1.0
Stavert Zigomala	Monday	—	6.72	—
Tomkins, F. H.	Monday	0.575	0.925	0.635
TR City of London Trust	Wednesday	—	—	0.675
INTERIM DIVIDENDS				
Aaronson Bros.	Thursday	0.9	1.2	
Arbuthnot Yen Bond Fund	Tuesday	3.0	3.0	
Barclays Bank	Thursday	11.5	12.5	
Bootham Engineers	Tuesday	—	3.0	
Braid Group	Wednesday	—	—	
Bristol Oil and Minerals	Monday	—	—	
British American and General Trust	Friday	1.0	1.8	
Burmatex	Monday	—	—	
European Assets Trust NV	Monday	—	—	
Greggs	Monday	—	—	
Grindlays Holdings	Tuesday	1.25	3.125	
Griqualand Exploration and Finance Co.	Wednesday†	10.0	15.0	
Johnstone's Paints	Thursday	1.765	2.235	
R. Kelvin Watson	Tuesday	1.3	2.95	
Law Debenture Corporation	Thursday	2.0	2.75	
Lloyds Bank	Friday	8.88333	14.86667	
Lonrho	Thursday	3.0	6.0	
National Westminster Bank	Tuesday	11.4	19.8	
Ocean Transport and Trading	Wednesday	2.15	2.35	
Rotork	Monday	1.75	2.1	
Xerox Corporation	Tuesday†	0.75	0.78	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Cents per share. ‡ Yen per share gross.

IMI acquiring Pactrol

BY JOHN MOORE, CITY CORRESPONDENT

IMI, an engineering group, is acquiring Pactrol, a manufacturer of gas burner controls and ignition devices, in a deal worth £4.08m.

IMI said yesterday that the deal would complement the products of its subsidiaries in the water heating field both in the UK and overseas. In addition the electronics expertise of Pactrol would be applied to products and processes in other business areas of IMI.

Pactrol also manufactures energy saving controls for the electrical industry which are used for water and space heating and are sold principally to electricity boards and local authorities.

IMI is offering 255p in cash for each ordinary share of Pactrol. The Pactrol board has recommended the offer and announced that it intends to accept. Pactrol directors hold shares amounting to about 68 per cent of the equity.

Mr K. R. Wade, the chairman of Pactrol, and his family have accepted the deal in respect of their shareholdings amounting to 62 per cent of the equity. Mr Wade has agreed to resign his executive position with Pactrol. He will enter into a part-time consultancy agreement with IMI for a term of three years at a fee of £10,000 per annum once the offer becomes unconditional.

Pactrol's share price leapt by 60p to 240p by last night closing dealings, valuing the company at £3.84m.

Wagon Industrial

A PARTICULARLY good year for the UK companies in the Wagon Industrial Holdings group helped raise pre-tax profits for the year to March 31 1984 to £3.83m, compared to £2.9m, on turnover raised to £66.79m (£60.91m).

The directors have recommended a final dividend of 4p, making a total of 6p (unchanged)

The tax charge was £2.12m (£1.4m). There were extraordinary debits of £1.58m (£69,000).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Britoil ... int.	3.3	—	3.3	—	10
J. & J. Dyson	2	Oct 1	2	4	4
Elbief	1.16	Oct 27	1	1.6	1.39
Energy Finance	0.71	Aug 31	0.71	1.31	1.31
Forminster	3.53	Oct 11	2.94	5.56	4.97
Hallite	4.75	Oct 1	7.5	7.75	11.5
Lex Service ... int.	4.1	Sept 12	3.75	—	9.75
NMC Investments	1	Oct 1	0.75	1	0.75
Plastic Cons. ... int.	0.84	Sept 24	0.84	—	2.48
REA Holdings	1	—	—	1	—
Regalian Props.	1.75	—	1.25	2.5	1.25
Sekers Intl.	1	Oct 17	1	1.25	1.25
Trent Holdings	0.53	—	0.42*	0.88	0.7*
Wagon Industrial	4	—	4	6	6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

General Motors income soars in second quarter

BY TERRY DODSWORTH IN NEW YORK

GENERAL MOTORS, the world's largest motor group, put itself firmly in line to achieve record earnings this year as it increased profits by 55 per cent in the second quarter.

The figures follow similar buoyant performances at both Ford and Chrysler, the other two leading U.S. car companies, and lend weight to forecasts that 1984 is likely to be a bumper year for the industry. But they also show that GM's profits are moving on to a plateau as the economic recovery moves towards the end of its second year.

Net income amounted to $1.61bn, or $5.09 a share, against $1.04bn, or $3.32 a share in the same period last year, while sales advanced by 11 per cent from $19.4bn to $21.55bn. Compared with the previous quarter, however, profits were stagnant at exactly the same figure, while sales slipped from $22.89bn.

These figures were stated, General Motors said, after a one-time tax credit of $422m, or $1.34 a share. But this had been largely offset by losses caused by a strike in West Germany and the costs associated with three temporary plant closures for model changeovers.

The group also warned that its prospects partly depend on outcome of contract negotiations with the United Auto Workers on a new three-year pay award. Negotiations began earlier this week and are not expected to reach a serious pitch until after the end of the holiday season in August.

However, it is widely assumed in Detroit that the group would be the target of any strike if the talks break down over the auto workers' demands for better job security and higher wages. GM yesterday warned that despite the fact that the second-quarter earnings set a record for the group, it was still at a competitive disadvantage against the Japanese.

In the first half, net profits amounted to $3.22bn, or $10.20 a share, against $1.69bn, or $5.40 a share, while sales increased to $44.47bn from $36.14bn.

Tosco returns to profitability at net level

By Our Financial Staff

TOSCO, the big independent U.S. oil refiner, yesterday reported net profits of $1.52m or four cents a share for the second quarter, compared with a loss of $194.5m or $10.98 in the 1983 period.

The 1983 loss was due mainly to a $173m charge for the revaluation of assets, offset by a $56m tax credit. The latest quarter includes a $2.9m gain from the termination of a pension plan.

For the first six months the Los Angeles-based company reported a net loss of $27.4m or $1.54 a share, against a deficit of $241.1m or $13.62. Sales fell from $1.47bn to $937.6m.

The company warned that without an improvement in refined product prices or a drop in crude oil prices, its third-quarter operating profits would fall significantly.

GeoSource sale leaves Aetna in red at halfway

BY PAUL TAYLOR IN NEW YORK

AETNA LIFE & Casualty, the biggest U.S. full-line insurance group, yesterday reported sharply lower second quarter operating earnings and a $55.3m net loss. The results reflected underwriting losses in the commercial insurance division and a sizeable loss on the sale of GeoSource, a leading oil field seismic prospecting company, to Gearhart for $350m.

The Hartford, Connecticut-based insurer said it had operating earnings of $48.7m or 44 cents a share in the latest quarter, down 33 per cent from $66m or 61 cents a share in the same period last year. Income from premiums grew by 4.7 per cent to $2.77bn from $2.65bn while total revenues increased to $3.84bn from $3.61bn.

Aetna said the sale of GeoSource resulted in a loss of $139m in net income. However Aetna also realised a $177m tax gain from the sale—which effectively wiped out the group's tax liability during the quarter.

The loss from the sale of GeoSource more than offset operating earnings and a $35m gain from securities transactions. As a result Aetna reported the net loss, equivalent to 52 cents a share, compared with net income of $45.5m or 41 cents a share in the 1983 quarter.

For the first half Aetna reported operating earnings of $68m or 57 cents a share, compared with $185m or $1.85 a share in the year-ago period, and a net loss of $33.3m or 45 cents a share compared with net earnings of $207.6m or $1.99 a share for the 1983 half.

Premiums increased to $5.37bn from $5.4bn while total revenues grew by 2.2 per cent to $7.48bn from $7.31bn.

Slight reverse for Belgian bank

BY PAUL CHEESERIGHT IN BRUSSELS

DEMAND for credit from the Belgian private sector and from foreign public bodies has started to creep up again, Societe Generale de Banque yesterday revealed in its report on first half trading.

However, consolidated pre-tax profits at the bank, the largest in Belgium, have slipped back slightly in comparison with those of the 1983 first half, although no figures have been revealed.

SGB expects that by the end of this year the provisions it will have to make will be of the same order as at the end of 1983—BFr 10.9bn ($188m)—judging by recent investments and the trend of credit risks.

Slightly higher levels of economic activity have lifted outstanding credit facilities outside the Belgian public sector to BFr 717bn at the end of June, a rise of 1.5 per cent since December and 7 per cent over the level of June, 1983. In the first half last year the amount outstanding actually fell.

But the Belgian public sector's demand for funds has continued unabated, increasing over the last six months by 9.7 per cent to a total outstanding from the bank of BFr 502bn.

SGB noted that by the end of the first half its non-consolidated balance sheet total had risen only slightly, by 2.6 per cent, to BFr 1490bn.

At the same time the bank is worried about the pressure on its costs by the resumption in Belgium of a wage indexation system. During 1983 when salary restraint policies were in force, wage costs rose by BFr 1bn to reach BFr 23.5bn a year.

Profits surge by 35% at NEC

By Robert Cottrell in Tokyo

NEC, the integrated Japanese electronics manufacturer, yesterday reported group net profits of ¥44.57bn ($182.2m) for the year to March, an increase of 35 per cent over last year.

Sales increased by 22 per cent from ¥1,443bn to ¥1,762bn. Net income per share rose to ¥35.55 from ¥29.73.

NEC is forecasting strong growth in the current year. It expects profits to rise 30 per cent to ¥58bn on sales up 19 per cent at ¥2,100bn.

The company said yesterday that the major contributor to its strong growth was the sale, overseas and domestically, of electronic devices. Domestic sales of computers and office automation equipment were also strongly ahead, as were overseas sales of communications equipment.

NEC is the world's third-largest manufacturer of microchips and Japan's largest telecommunications company. It is also the world's largest supplier of satellite-earth stations and microwave communications equipment.

Japanese credit company seeks court protection

By Our Tokyo Correspondent

Esaka, a Japanese "sarakin" (consumer credit company), yesterday sought court protection from creditors with debts privately estimated at ¥45bn ($184m).

The company is the second major sarakin to collapse recently. In mid-June, Yatagai Credit filed for court protection. Pressure on this largely unregulated sector has increased sharply since many Japanese financial institutions cut credit lines. This action was prompted by the adverse publicity given to the heavy-handed debt collection methods employed by some of the loan companies.

● Riccar, the sewing machine maker, has appointed Mr Umeo Oyama, a well known "company doctor," to help reconstruct its finances, Toho Mutual Life, the insurance company which has invested in Riccar, has said that it is willing to assist in this process.

Mr Oyama will become president of Riccar Real Estate, a subsidiary of the parent company. An associate of Mr Oyama is expected to become a member of the main board

Turnround in steel boosts BHP result

BY LACHLAN DRUMMOND IN SYDNEY

BROKEN HILL PROPRIETARY scored a 154 per cent increase in net earnings from A$244.8m to A$622.3m (US$523.4m) in the year ended May. Its steel division returned to the black and oil and gas benefited from higher production and prices.

The end result was mid-way between best and worst estimates in the market and came on sales 19.6 per cent ahead from A$4.51bn to A$5.39bn, restoring the company to its position as Australia's biggest by sales as well as by market capitalisation and profits.

The biggest contributor to the surge in earnings was the steel division where there was an A$216.6m turnround from a loss of A$144.3m to a profit of A$72.3m.

Much of this reflected the drastic steps taken last year to trim capacity from a nominal 9m tonnes to 6m tonnes, which has allowed the group this year to run at close to capacity and with 12,000 fewer employee[s in] the steel mills.

The biggest single contr[ibu]tor, though, was the oil and [gas] division where net earn[ings] jumped from A$300m [to] A$426.4m, reflecting higher [pro]duction from the Bass S[trait] fields and the bringing [on] stream of the Fortescue fi[eld] which under the Govern[ment] pricing formula provides a higher return to BHP an[d its] partner, Esso.

All areas were higher, [how]ever, with John Lysaght [...] fabrication offshoot [...] from A$15.8m to A$39.4[m]

The full scale of BHP's [per]formance is seen befor[e] interest and deprecia[tion] where earnings were A$1[...] against A$394.3m, after in[...] ing A$116.3m (A$65.6m) interest income.

Annual dividends totallin[g ...] cents a share, against 40 c[ents] have previously announced, with the fina[l] 23 cents

Comalco back in the bla[ck]

BY OUR SYDNEY CORRESPONDENTS

COMALCO, the CRA group's integrated aluminium offshoot, has reported a turnround from losses of A$32.8m (U.S.$27.6m) to a net profit of A$25.2m for the six months to June 30.

Higher sales volumes of bauxite and primary aluminium and improved aluminium prices although weaker prices compared with the second half of 1983 are reflected in the drop from the A$30m net total for the previous half.

Turnover for the latest six months was A$518.5m against A$392m, although when set against the more comparable closing six months of 1983 the total is down from A$525m.

Aluminium production for the half was 157,246 tonnes compared with 122,902, refle[cting] the commissioning of addit[ional] capacity in NZ from July and the completion of con[...] sioning of additional capac[ity] Queensland in the latest [...]

Bauxite shipments [...] while, jumped from 2[...] tonnes to 4.22m tonnes [...] tonnes for all 1983, m[ainly] because of increased de[mand] and higher capacity at its owned Queensland Alu[mina] refinery affiliate.

The result was after int[erest] charges of A$38.8m, dep[reciation] of A$35m and ta[x] A$27m.

The interim dividend i[s] cents, up from 1 cent a[nd] cents respectively for the and second halves of fiscal

Swissair makes headway

BY JOHN WICKS IN ZURICH

SWISSAIR, Switzerland's national airline, reports a slight improvement in first-half profits and expects a "continued satisfactory development" in the current half.

In 1983, net profits rose by more than 46 per cent to SwFr 56.3m ($23.3m). First-half 1984 traffic was up 6.1 per cent, comfortably ahead of the 5.7 per cent increase in available capacity.

This improvement was due primarily to an increase in freight business. Passenger loading remained at about the same volumes as in the first six months of last year. The overall load factor on scheduled [services] rose slightly from 62.5 to [...] per cent and the average load dropped from 63.1 to [...] per cent.

Including turnover from flight operations, which sh[owed] good growth, total revenue [for] the first half improved SwFr 1.74bn to SwFr 1.86b[n] the same time, stable fuel [costs] meant that overall expendi[ture] before depreciation grew [more] slowly than income rising [from] SwFr 1.62bn to SwFr 1.73bn.

The resulting gross prof[it ...] SwFr 125m compared [with] SwFr 111m for the Jan[uary-] June period of 1983.

NORTH AMERICAN RESULTS

AMP
Electrical equipment

Second quarter	1984 $	1983 $
Revenue	477.2m	369.3m
Net profits	58.3m	40.1m
Net per share	0.54	0.37
Six months		
Revenue	935.9m	709.8m
Net profits	112m	74.4m
Net per share	1.04	0.69

AMERICAN BRANDS
Tobacco products

Second quarter	1984 $	1983 $
Revenue	1.68bn	1.72bn
Net profits	95m	90.2m
Net per share	1.64	1.56
Six months		
Revenue	3.51bn	3.5bn
Net profits	201.8m	187.2m
Net per share	3.50	3.23

ANCHOR-HOCKING
Glass tableware and containers

Second quarter	1984 $	1983 $
Revenue	170.7m	176m
Net profits	2.6m	7.8m
Net per share	0.25	0.83
Six months		
Revenue	342m	332m
Op. net profits	3.7m	8.6m
Op. net per share	0.36	0.92

BAKER INTERNATIONAL
Oil and mining tools and services

Second quarter	1984 $	1983 $
Revenue	461.1m	431.3m
Net profits	19m	†97.6m
Net per share	0.27	†1.40
Six months		
Revenue	1.35bn	1.39bn
Net profits	48m	†76.8m
Net per share	0.65	†1.10

† Loss.

BROWNING-FERRIS INDUSTRIES
Waste collection

Third quarter	1983-84 $	1982-83 $
Revenue	259.2m	214.7m
Net profits	25.1m	21.6m
Net per share	0.75	0.65
Nine months		
Revenue	723.4m	614.3m
Net profits	64.5m	57.5m
Net per share	1.68	1.74

CENTEL
Telephone services, electric utilities

Second quarter	1984 $	1983 $
Revenue	360.7m	310.4m
Net profits	30.36m	26.11m
Net per share	1.09	1.03
Six months		
Revenue	685.6m	595m
Net profits	59.56m	54.63m
Net per share	2.13	2.00

COLGATE-PALMOLIVE
Household, health care products

Second quarter	1984 $	1983 $
Revenue	1.28bn	1.23bn
Net profits	54m	56m
Net per share	0.66	0.69
Six months		
Revenue	2.52bn	2.43bn
Net profits	109.8m	112.6m
Net per share	1.34	1.38

CONSUMERS POWER
Utility

Second quarter	1984 $	1983 $
Revenue	645.8m	626.2m
Net profits	78.2m	86.1m
Net per share	0.54	0.80
Six months		
Revenue	1.7bn	1.47bn
Net profits	203.4m	180m
Net per share	1.63	1.76

R. R. DONNELLY
Commercial printer

Second quarter	1984 $	1983 $
Revenue	417.9m	342.3m
Net profits	30.3m	25.8m
Net per share	0.79	0.68
Six months		
Revenue	796.6m	686.6m
Net profits	53.6m	46.1m
Net per share	1.40	1.21

GLOBAL MARINE

Second quarter	1984 $	1983 $
Revenue	97.8m	116.3m
Net profits	†7.4m	18.2m
Net per share	†0.36	0.57
Six months		
Revenue	199.6m	237.6m
Net profits	†12m	35.6m
Net per share	†0.32	1.12

† Loss.

GOTAAS-LARSEN
Shipping

Second quarter	1984 $	1983 $
Revenue	48.6m	26.5m
Net profits	6.9m	0.2m
Net per share	0.63	0.02
Six months		
Revenue	86.5m	68.7m
Net profits	13.2m	1.5m
Net per share	1.20	†0.14

† Loss.

MIDDLE SOUTH UTILITIES
Electric utility holding company

First half	1984 $	1983 $
Revenue	1.46bn	1.28bn
Net profits	239.8m	146.5m
Net per share	1.41	0.99
Twelve months		
Net profits	471.4m	327.1m
Net per share	2.87	2.28

NL INDUSTRIES
Oil services and equipment

Second quarter	1984 $	1983 $
Revenue	359.2m	346.7m
Op. net profits	4.1m	41.3m
Op. net per share	0.05	†0.68
Six months		
Revenue	683m	719m
Op. net profits	5.01m	†47m
Op. net per share	0.05	†0.79

† Loss.

NATIONAL DIST. & CHEM.

Second quarter	1984 $	1983 $
Revenue	539.4m	482.4m
Op. net profits	12.2m	11.1m
Op. net per share	0.34	0.27
Six months		
Revenue	1.13bn	922m
Op. net profits	47.6m	27.4m
Op. net per share	1.40	0.70

SMITH INTERNATIONAL
Drilling equipment

Second quarter	1984 $	1983 $
Revenue	180m	[illegible]
Net profits	0.63m	[illegible]
Net per share	0.03	
Six months		
Revenue	352.7m	[illegible]
Net profits	3.83m	[illegible]
Net per share	0.17	

† Loss.

SOUTHLAND
Convenience store operator

Second quarter	1984 $	1983 $
Revenue	[illegible]bn	[illegible]
Net profits	5.85m	
Net per share	1.25	
Six months		
Net profits	72.7m	[illegible]
Net per share	1.55	

WORLD STOCK MARKETS

WALL STREET

Rally makes further headway

THE RECENT RALLY made further headway on Wall Street yesterday, for the third successive session.

By 1 pm the Dow Jones Industrial Average was up another 6.40 to 1,114.15, making a net rise of 12.81 on the week, while the NYSE All Common Index at $86.85, rose 54 cents on the day and a net 67 cents on the week. Gains held nearly a two-to-one lead over losses while the volume expanded 11.61m shares to 76.27m compared with 1 pm on Thursday.

One analyst said the Stock Market continued to react to a stronger Bond Market plus favourable remarks from Federal Reserve Board Chairman, Paul Volcker.

"It's basically still a carryover from the event of the other day," he said, adding that Thursday's surprising drop in the U.S. Money Supply is also adding to the strength of the market.

Recent pressure on Worldwide Oil prices may also be creating some optimism about lower energy costs. This would aid all but the oil stocks, he added.

Continental Illinois topped the active list, up $1, at $4, on consolidated volume of 2.7m shares—the Government unveiled its bailout plan for the Bank Thursday.

General Motors rose $1½ to $67 on sharply higher profits.

United Airlines improved $1⅞ to $36⅞ in active trading on its higher second quarter earnings. It also resumed dividend payments.

Teledyne climbed another $5½ to $270. **St Regis** fell $1½ to $44½—investors are waiting for Rupert Murdoch's next move against the company.

Seligman and Latz further advanced $1½ to $19½—the company could not be reached for comment.

Cox Communications regained $2½ to $47½.

Technology stocks improved with **Texas Instruments** up $3 to $121, **Data General** $2½ to $44½ and **Digital Equipment** 2½ to $82½.

THE AMERICAN SE Market Value Index moved up 1.25 to 189.15, reducing its loss on the week to 1.97. Volume decreased 528,000 shares to 3.54m, compared with 1 pm Thursday.

Closing prices for North America were not available for this edition.

CANADA

Stocks were sharply higher at midsession when all groups, with the exception of Oils, participated in the advance.

The *Toronto Composite Index*, further improved 19.3 to 2,145.3. Metals and Minerals moved up 19.1 to 1,699.9 and Golds 42.6 to 3,029.9. But Oil and Gas eased 1.9 to 2,924.2.

Ford Motor of Canada advanced another $2 to $700 on its tripled second quarter profit. ***Consolidated-Bathurst*** were up $1 to $27⅞ on higher earnings, an increased dividend and a proposed stock split.

Bell Canada Enterprises firmed ½ to $32⅞ and **Northern Telecom** ½ to $47½ following their higher earnings.

AUSTRALIA

Industrials were higher but Resource shares eased in active trading.

The All Ordinaries Index finished up 1.1 at 683.6 and the All Industrials Index 6.5 to 976.9, but the All Resources Index slipped 2.7 to 456.0 and the Metals and Minerals Index fell 4.4 to 413.8.

Share prices eased initially, due to some profit-taking from Thursday's sharp gains, a drop in *World Gold prices and concern* over Iran and Nigeria pulling out *of* the Organisation of Petroleum Exporting Countries.

But the strength of Industrials, spurred into a rally Thursday by a better than expected announcement on Australia's Consumer Price Index, led the market higher in the afternoon.

Broken Hill Proprietary, Australia's biggest public company, shed 4 cents to A$9.70, despite a 154 per cent increase in profit to a record A$622.2m for the year ended May 31.

Brokers said part of the reason for the decline in **BHP** shares was month end Option exercises, which put pressure on the price.

Aluminium producer **Comalco** firmed 2 cents to A$2.40 — it reported a net profit of A$23.2m (A$7.6m loss) for the six months ended June.

Minings were mixed to lower, Oil and Gas shares were lower but Retailers, Properties and Building Materials were higher.

TOKYO

Sharply higher, helped by the overnight strong gain on Wall Street and rapid yen recovery against the dollar here.

The Nikkei-Dow Jones Average rose 104.03 to 10,036.21 after gaining 132.07 Thursday. Turnover 320m (330m) shares.

The market was also supported by a Japanese Trade Ministry announcement late Thursday of a 12.1 per cent rise in Industrial Production in June, and a 0.8 per cent fall in Japanese Consumer prices in June announced by the Prime Minister's Office yesterday morning.

The Tokyo SE Index gained 6.71 to 767.11.

American Depository Receipt issues led the rally after a rise in the Wall Street Dow Jones Industrial Average to above 1,100.

The market showed no reaction to rumours of an imminent breakup of Opec.

Japan Air Lines advanced Y120 to 3,100 in the light of a gain in U.S. Airline stocks.

Citizen Watch put on Y6 to 471 after it reported a 47 per cent rise in consolidated net *income in the year ended March* 31.

GERMANY

Prices firmed as markets continued to react positively to a higher overnight Wall Street and stronger U.S. Credit Markets on easing U.S. interest rates.

Rumours that some Opec-member countries are set to leave the Oil cartel boosted the dollar but had little impact on stocks.

The Commerzbank index of 60 leading shares, calculated at the midsession, improved 3.9 to 936.2.

In Motors, VW were DM 0.50 higher at 172, **Daimler** DM 4 at 530, **BMW** DM 1.50 at 369 and **Porsche** DM 10 at 927. Tyremaker **Conti-Gummi** improved DM 1.50 to 113.50.

Engineering firm **Linde** dipped DM 5 to 337—it has admitted interest in taking over parts of the troubled French forklift truck maker **Fenwick-Manutention**.

SWITZERLAND

Domestic shares closed steady in light volume. The stronger dollar and interest rate fears restrained trading.

Swissair Bearer put on SFr 15 to 910 and the Registered SFr 12 to 780 in response to higher first-half gross profit.

Banks edged higher supported by a steady flow of favourable first-half results.

Engineerings held steady in featureless trading.

The Bond Market finished slightly higher in thin volume, aided by the firmer trend on U.S. Credit Markets.

AMSTERDAM

Dutch shares were mixed to slightly lower.

Among major companies **Royal Dutch** fell Fls 3.30 to Fls 137.20 mainly due to unconfirmed rumours about a break up of OPEC.

SINGAPORE

Share prices rose further over a broad front on continued buying and short covering in active trading, with intermittent profit-taking well absorbed.

The Straits Times Industrial Index rose 13.36 to 904.38 and the SE Industrial/Commercial Index 10.17 to 842.96. Turnover 28.7m (20.0m) shares. Gains led falls by 139-to-38.

HONG KONG

Higher on speculation that local interest rates may be reduced and on a statement by British Foreign Secretary Geoffrey Howe that Britain will maintain control over Hong Kong until 1997, brokers said.

The Hang Seng Index moved up 22.92 to 785.99.

Winsor gained 10 cents to HK$5.30, after reporting record earnings of HK$233.27m (HK$103.73m) for the year ended March 31.

CANADA

Stock	July 26	July 25
AMCA Intl.	18¼	18
Abitibi	26¾	25¾
Agnico Eagle	13½	13¼
Alberta Energy	18	17¾
Alcan Aluminium	32⅞	31⅞
Algoma Steel	20	19½
Bank Montreal	22⅛	22⅜
Bank NovaScotia	10⅝	10⅞
Bell Canada	32⅜	31¾
Bombardier	17	17
Bow Valley	18½	18¼
BP Canada Res.	23⅛	23
Brascan A	29⅜	29¼
Brinco	2.20	2.20
B.C. Forest	9	8⅝
CIL Inc	24	23⅞
CadillacFairview	14	13⅝
Campbell Red Lk	23¼	24½
Can. Cement Pf	12½	12¼
Can. NW Energy	30	29½
Can. Packers	24	25
Can. Trustco	25¼	22
Can.Imp.Bank	22⅛	22½
Can. Pacific	39	38
Can. Pac. Ents.	19¼	18⅞
Can. Tire A	9½	9¾
Canfor	11	10⅝
Carling O'Kfe	16⅝	16⅝
Chieftain	14⅞	14⅝
Cominco	12⅝	12¼
Conigas Mines	5.00	5.00
Cons. Bathst. A	26	25¼
Copper Lake	0.95	1.00
Costain	7⅝	7⅝
Denison Mines A	14⅛	14¼
Dofasco	19	17⅞
Dome Mines	11½	11⅝
Dome Petroleum	2.25	2.30
Dominion Strs	19⅛	19⅞
Domtar	29½	29½
Falconbridge	57	56⅛
Genstar	20⅞	20⅞
Giant Y'knife	14¾	14¾
Gt. West Life	3.25	3.25
Gulf Canada	15	15¼
Hawker Sid. Can.	18¼	18
Hudson's Bay	20⅝	20⅝
Husky Oil	10¼	9¾
Imasco	39½	35¼
Imperial Oil A	34⅝	34⅛
Inco	12	11½
Indal	10⅝	10¼
Int. Pipe	29⅛	28¾
LACMinerals	24½	24½
Loblaw	14½	14⅝
Macmil. Bloedel	23¼	23¼
Marks & Spencer	7⅝	7⅝
Massey Ferguson	3.15	3.10
McIntyre Mines	27	26¼
Mitel Corpn	5⅞	5⅝
Molson A	16¾	16¾
Moore Corp	50⅞	50⅝
Nat. Sea Prods A	4.50	4.50
Noranda Inc.	17¼	16⅞
Norcen Energy	15⅝	15¼
Nth. Telecom	46½	44¾
Nova Alberta	6⅞	7
Numac Oil	15¼	15⅜
Oakwood Pet.	5¼	5¼
Pan Can Pet.	24⅝	24¼
Patino	6.00	6
Placer Dev	17¾	17⅞
Power Corp	18¼	17⅞
QuebecSturgeon	4.60	4.45
Ranger Oil	9½	8⅞
Reed Stenhs.	11¼	11¼
Rio Algom	14⅞	14
Royal Bank A	26¼	25⅞
Royal Trust A	25	24¾
Sceptre Res.	5¼	5¼
Seagram	42⅛	40⅜
Sears Can Inc.	7⅛	7⅛
Shell Canada Oil	31¼	31½
Stelco	21⅛	20⅞
Teck B.	8	7⅞
Texaco Canad.	35	34⅞
Thomson New.	39½	39¼
Toronto DomBk.	14¾	14½
Transalta A.	21	20⅞
Trans Can Pipe	16¼	15⅞
Walker Hiram	21½	21⅜
Westcoast Trn.	13⅞	14
Weston (Geo.)	66¼	66

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar strong

The dollar resumed its upward path in currency markets yesterday to touch record levels against several currencies. Instability within Opec and the weakness of spot oil prices tended to highlight the attraction of the dollar, underpinned as it is by a strong economy, relatively low inflation and high interest rates.

Against the D-mark, the dollar rose to an 11½ year high of DM 2.8840 at the close, up from DM 2.8460 on Thursday. In early New York trading it was quoted just below DM 2.89. In London it reached a seven-year high against the Swiss franc at SwFr 2.4610 from SwFr 2.4270 and reached record levels against the lira at L1776½ from L1751 and the French franc at FFr 8.85 from FFr 8.74. On Bank of England figures, the dollar's trade weighted index rose to 137.3 from 136.3.

The Japanese yen was also weaker against the dollar but remained relatively firm

Sterling suffered on oil price fears and a possible reduction in the value of North Sea oil reserves. Against the dollar it touched a low of $1.3090 before recovering a little to close to $1.3110-1.3120, still down 1.95c from Thursday's close. It was only slightly weaker against the D-mark at DM 3.7840 from DM 3.7875 but dipped more sharply against the Swiss franc to SwFr 3.2225 from SwFr 3.23 and Y321½ compared with Y324. Against the French franc it eased to FFr 11.5975 from FFr 11.6350. On Bank of England figures, the pound's trade weighted index fell to 78.4 from 79.0, having stood at 78.3 at noon

£ in New York (latest)

	July 27	Prev. close
Spot	$1.3110-3120	$1.3165-3175
1 month	0.14-0.09 pm	0.10-0.08 pm
3 months	0.14-0.09 pm	0.07-0.05 pm
12 months	0.90-1.00 dis	1.35-1.43 dis

OTHER CURRENCIES

July 27	£	$		£ Note Rates
Argentina Peso	77.53-77.88	59.03-59.09	Austria	26.35-26.65
Australia Dollar	1.5815-1.5846	1.2050-1.2060	Belgium	75.50-77.30
Brazil Cruzeiro	2,456.2-2,470.0	1,870-1,879	Denmark	13.71-13.85
Finland Markka	7.9220-7.9440	6.0550-6.6000	France	11.52-11.65
Greek Drachma	148.90-149.30	113.10-113.40	Germany	3.75½-3.78½
Hong Kong Dollar	10.276-10.286	7.8450-7.8500	Italy	2300-2330
Iran Rial	119.60*	90.60*	Japan	318-323
Kuwait Dinar(KD)	0.3897-0.3906	0.2967-0.2971	Netherlands	4.24-4.28
Luxembourg Fr.	76.30-76.40	58.20-58.30	Norway	10.84-10.95
Malaysia Dollar	3.0520-3.0580	2.3300-2.3315	Portugal	192-200
New Zealand Dlr.	2.6390-2.6440	2.0120-2.0160	Spain	206-215½
Saudi Arab. Riyal	4.6100-4.6155	3.5100-3.5110	Sweden	10.92-11.05
Singapore Dollar	2.8130-2.8190	2.1475-2.1490	Switzerland	3.20¾-3.23¾
Sth African Rand	2.0820-2.0850	1.5875-1.5900	United States	1.30¾-1.2¾
U.A.E. Dirham	4.8250-4.8285	3.6720-3.6730	Yugoslavia	192-202

* Selling rate.

THE POUND SPOT AND FORWARD

July 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3090-1.3200	1.3110-1.3120	0.18-0.13c pm	1.42	0.18-0.13 pm	0.47
Canada	1.7225-1.7280	1.7225-1.7235	.08c pm-.05 dis	0.10	0.18-0.32dis	−0.58
Nethlnd.	4.24½-4.27¾	4.25½-4.26½	2⅛-2c pm	6.16	6⅞-6⅝ pm	5.52
Belgium	75.90-76.45	76.30-76.40	10-2c pm	0.94	15-5 pm	0.52
Denmark	13.72-13.80¾	13.72-13.73	2.45-1.25ore pm	1.61	3.55-2.40 pm	0.86
Ireland	1.2240-1.2315	1.2290-1.2300	0.11p pm-0.05 dis	0.29	0.13-0.41dis	−0.88
W. Ger.	3.76-3.79	3.77½-3.78½	2¼-2pf pm	6.74	6-5¾ pm	6.14
Portugal	193.86-201.30	194.60-200.00	180-580c dis	−23.41	440-1175dis	−16.58
Spain	212.80-213.60	212.80-213.00	30-55c dis	−2.39	145-195 dis	−3.19
Italy	2309-2331	2321-2323	2-5lire dis	−1.81	15-18 dis	−2.84
Norway	10.83½-10.90¾	10.83½-10.84½	.30ore pm-.80dis	−0.28	0.60-1.70dis	−0.42
France	11.53¾-11.61	11.59¾-11.60¾	¼-¾c dis	−0.19	⅛ pm-⅛ dis	—
Sweden	10.93-11.00¾	10.93-10.94	0.80-1.90ore dis	−1.48	3.90-5.00dis	−1.62
Japan	320-322	321-322	1.91-1.74y pm	6.81	4.80-4.63 pm	5.87
Austria	26.42-26.54	26.47-26.52	13½-12gro pm	5.69	34½-30⅞	4.91
Switz.	3.20½-3.23	3.21¾-3.22¾	2⅛-1¾c pm	7.21	5⅞-5½ pm	7.06

Belgian rate is for convertible francs. Financial franc 76.85-76.95.
Six-month forward dollar par-0.05c dis. 12-month 0.65-0.85c dis.

THE DOLLAR SPOT AND FORWARD

July 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3090-1.3200	1.3110-1.3120	0.18-0.13c pm	1.42	0.18-0.13 pm	0.47
Ireland†	1.0645-1.0740	1.0645-1.0655	0.13-0.07c pm	1.12	0.42-0.30 pm	1.35
Canada	1.3120-1.3140	1.3135-1.3140	0.10-0.12c dis	−1.00	0.28-0.31dis	−0.90
Nethlnd.	3.2350-3.2520	3.2500-3.2520	1.45-1.42c pm	5.30	4.30-4.27 pm	5.27
Belgium	57.93-58.30	58.20-58.30	1½c pm-½ dis	0.10	5-2 pm	0.24
Denmark	10.46½-10.54¾	10.53¾-10.54¼	¼-¾ore pm	0.57	1½-1 pm	0.47
W. Ger.	2.8585-2.8885	2.8835-2.8845	1.47-1.42pf pm	6.03	4.27-4.22 pm	5.91
Portugal	149-151½	149½-151½	150-450c dis	−23.92	350-900dis	−16.61
Spain	162.00-162.70	162.45-162.55	35-50c dis	−3.14	110-145 dis	−3.14
Italy	1761-1779	1776-1777	4¾-5½lire dis	−3.46	14½-15½ dis	−3.38
Norway	8.26¾-8.30	8.29-8.29½	0.65-1.15ore dis	−1.30	1.35-1.85dis	−0.77
France	8.7825-8.8525	8.8475-8.8525	par-0.20c dis	−0.13	0.30-0.70dis	−0.23
Sweden	8.33¼-8.36¼	8.35½-8.36¼	1.50-2.0ore dis	−2.51	3.85-4.35dis	−1.96
Japan	243.55-245.40	245.25-245.35	1.12-1.08y pm	5.39	3.31-3.28 pm	5.37
Austria	20.09-20.22	20.17-20.18	8.30-7.80gro pm	4.78	24.5-22.5 pm	4.66
Switz.	2.4385-2.4615	2.4605-2.4615	1.32-1.27c pm	6.33	4.10-4.06 pm	6.65

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.60-58.65.

EXCHANGE CROSS RATES

July 27	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.312	3.784	321.5	11.598	3.223	4.260	2322.	1.723	76.36
U.S. Dollar	0.762	1.	2.884	245.3	8.850	2.461	3.251	1777.	1.314	58.25
Deutschemark	0.264	0.347	1.	84.95	3.065	0.852	1.126	613.6	0.455	20.18
Japanese Yen 1,000	3.110	4.079	11.77	1000.	36.07	10.02	13.25	7222.	5.359	237.5
French Franc 10	0.862	1.131	3.263	277.2	10.	2.779	3.673	2002	1.486	65.83
Swiss Franc	0.310	0.407	1.174	99.77	3.599	1.	1.322	720.6	0.535	23.69
Dutch Guilder	0.235	0.308	0.888	75.47	2.722	0.756	1.	545.1	0.404	17.92
Italian Lira 1,000	0.431	0.565	1.630	138.5	4.995	1.388	1.836	1000.	0.742	32.88
Canadian Dollar	0.580	0.761	2.196	186.6	6.731	1.870	2.472	1348	1.	44.31
Belgian Franc 100	1.310	1.718	4.956	421.1	15.19	4.221	5.580	3041.	2.257	100.

MONEY MARKETS

Large shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £900m with factors affecting the market including maturing assistance and a take-up of Treasury bills together draining £290m and Exchequer transactions a further £365m. There was also a rise in the note circulation of £220m and banks brought forward balances £25m *below target.*

The Bank gave early assistance of £644m which comprised purchases of £65m of eligible bank bills in band 2 (15-33 days) at 11¾ per cent and £5m in band 3 (34-63 days) at 11¾ per cent. It also arranged sale and repurchase agreements on £574m of bills at 12 per cent, unwinding on July 31. Additional help was given in the morning of £160m, comprising purchases of £84m of eligible bank bills in band 2 at 11¾ per cent and £2m in band 4 (64-91 days) at 11⅝ per cent. There were also sale and repurchase agreements arranged on £74m of bills at 11¾ per cent, unwinding in equal amounts on August 14 and 15.

Help in the afternoon amounted to purchases of £105m of eligible bank bills in band 2 at 11¾ per cent and £6m of local authority bills in band 3 at 11¾ per cent. The Bank also provided late assistance of £95m, making a total of £1,010m.

Period rates were mostly firmer as the market reacted to sterling's weaker trend. The latter stemmed from fears of lower oil prices. Consequently trading was relatively quiet and cautious with three-month interbank money rising to 12⅛-12¼ per cent from 12-12⅛ per cent and six-month sterling CDs up at 11[illegible]-11[illegible] per cent compared with 11[illegible]-11[illegible] per cent. Three-month eligible bank bills were bid at 11⅝ per cent up from 11[illegible] per cent. Overnight interbank money traded between a high of 12½ per cent and a low of 7 per cent.

The less relaxed mood [illegible] reflected in the average rate [illegible] discount at the weekly Trea[sury] bill tender. This rose to 11.[illegible] per cent from 11.3381 per [cent] and the £100m of bills on [offer] attracted bids of £405m, d[own] from £615m the previous w[eek].

UK clearing banks' base lending rate 12 per cent (since July 12-13)

LONDON MONEY RATES

July 27 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)
Overnight	—	7-12½	12-12⅛	9½-12⅝	8-12⅛	—
2 days notice	—	—	12¼-12⅜	—	—	—
7 days or	—	—	—	—	—	—
7 days notice	—	12⅛-12½	12¼-12⅜	12½	12-12⅛	—
One month	12[illegible]-12[illegible]	12[illegible]-12⅜	12¼	12½	12	11⅞
Two months	12[illegible]-12[illegible]	12[illegible]-12[illegible]	12⅛	12⅜	11¾	11¾
Three months	12[illegible]-12[illegible]	12⅛-12¼	12⅛	12¼	11½	11⅝
Six months	11[illegible]-11[illegible]	11[illegible]-12⅛	12	—	—	—
Nine months	11[illegible]-11[illegible]	11⅞-12	—	—	—	—
One year	11[illegible]-11[illegible]	11⅞-12	12	—	—	—

Discount Houses Deposit and Bill Rat[es]

July 27 1984	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fi[ne] Tr[ade] (B[uy])
Overnight	—	—	—	[illegible]
2 days notice	—	—	—	[illegible]
7 days or	—	—	—	[illegible]
7 days notice	—	—	—	[illegible]
One month	11¾	11⅞	[illegible]	12[illegible]
Two months	11⅝	11¾-11[illegible]	[illegible]	12[illegible]
Three months	11½	11⅝	11[illegible]	[illegible]
Six months	—	11[illegible]	11[illegible]	11[illegible]
Nine months	—	—	—	[illegible]
One year	—	—	—	[illegible]

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12¼-12⅝	—	12⅛	11.25-11.35	9[illegible]-9[illegible]	9[illegible]-9[illegible]
Two months	12[illegible]-12¼	—	12¼	11.45-11.55	9[illegible]-10	9[illegible]-9[illegible]
Three months	12[illegible]-12[illegible]	—	12⅛	11.95-1.6	9[illegible]-10[illegible]	9[illegible]-9[illegible]
Six months	11[illegible]-11[illegible]	—	12[illegible]	12.95-12.05	10[illegible]-10	10[illegible]-10[illegible]
Nine months	12[illegible]-11[illegible]	—	12[illegible]	12.[illegible]-12.[illegible]	—	—
One year	12[illegible]-11[illegible]	—	12½	12.[illegible]-12.[illegible]	10[illegible]-10[illegible]	10[illegible]-10½
Two years	—	12⅛	—	—	—	—
Three years	—	12⅜	—	—	—	—
Four years	—	12½	—	—	—	—
Five years	—	12⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period June 6 to July 3 1984 (inclusive) [illegible] per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from July 1 1984. London and Scottish Clearing Bank Rates for lending 12 per cent. London Deposit Rate for sums at seven days' notice 8¾-9 per cent. Treasury Bills: Average tender rates of discount 11.3560 per cent. Certificates of Tax Deposit (Series 6). Deposit of £100,000 and over held under one month 12¼ per cent; one-three months 12¼ per cent; three-six months 12¼ per cent; six-nine months 12¼ per cent; nine-12 months 12¼ per cent. Under £100,000 11½ per cent from July 23. Deposits held under Series 4-5 12¼ per cent. The *rate for all deposits withdrawn for cash 8 per cent.*

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. July 27)

3 months U.S. dollars	
bid 11 5/8	offer 11 3/4

6 months U.S. dollars	
bid 12 1/8	offer 12 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

July 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Dan[ish] Kro[ne]
Short term	12⅛-12⅜	11-11⅛	11½-12	5½-5⅞	½-1	5¼-5⅜	11½-11⅝	14½-15½	11-11½	11-11½	6[illegible]-6[illegible]	11½
7 days' notice	12⅛-12⅜	11[illegible]-11[illegible]	11¾-12¼	5⅝-6	10½-11	5[illegible]-5[illegible]	11⅛-11⅝	13½-15	11-11½	11¼-11½	6[illegible]-6[illegible]	10[illegible]
Month	12[illegible]-12[illegible]	11[illegible]-11[illegible]	12[illegible]-12⅜	6[illegible]-6[illegible]	5-5[illegible]	5[illegible]-5[illegible]	11⅝-11½	14½-15⅛	11⅛-11[illegible]	11¼-11[illegible]	6[illegible]-6[illegible]	11[illegible]
Three months	12[illegible]-12[illegible]	11[illegible]-11[illegible]	12½-12[illegible]	6[illegible]-6[illegible]	4[illegible]-5[illegible]	5[illegible]-5[illegible]	11[illegible]-11[illegible]	15-16½	11⅝-11⅞	11½-11¾	6[illegible]-6[illegible]	11½
Six months	12⅛-12¼	12⅛-12¼	12⅞-13[illegible]	6½-6[illegible]	4[illegible]-5[illegible]	6[illegible]-6[illegible]	12[illegible]-13	16-16½	11½-12	11⅜-11¾	6[illegible]-6[illegible]	11[illegible]
One year	12-12¼	12[illegible]-12[illegible]	13[illegible]-13[illegible]	6[illegible]-7[illegible]	4[illegible]-5	6[illegible]-6[illegible]	15[illegible]-15[illegible]	16½-17	12-12½	11[illegible]-12¼	5[illegible]-6[illegible]	11[illegible]

Asian $ (closing rates in Singapore): Short-term 11[illegible]-11[illegible] per cent; seven days 11[illegible]-11[illegible] per cent; one month 11[illegible]-11[illegible] per cent; three months 11[illegible]-[illegible] per cent; six months 12¼-12⅜ per cent; one year 12⅝-12¾ per cent. Long-term Eurodollars: two years 13[illegible]-13[illegible] per cent; three years 13[illegible]-13¾ per cent; four years 13¾-14 per cent; five years 13¾-14 per cent nominal closing rate. Short-term rates are call for U.S. dollars and Japanese yen, others two days' notice

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984 High	1984 Low
METALS					
Aluminium	£1100	—	£950	£1100	£1100
Free Market c.i.f.	$1175/1205	−10	$1565/575	$1680/610	$1185/1215
Antimony					
Free Market 99.6%	$3175/3250	+25		$3400/3500	$2450/520
Copper-Cash High Grade	£1011.5	−19.25	£1120.5	£1101.25	£945
3 months Do. Do.	£1030.25	−18	£1141.25	£1110.25	£969.75
Cash Cathodes	£1010.5	−18	£1083.5	£1100.5	£950.5
3 months Do.	£1032	−18	£1106.5	£1100.25	£957
Gold Per oz.	$336.5	−4.75	$421.625	$405.75	$335.5
Lead Cash	£359	−6	£269.75	£397.5	£289.25
3 months	£366	−6.75	£269.25	£376.87	£279.25
Nickel	£5202		£4720.76	£5203	£4636
Free Markets c.i.f. lb.	203/225c		218/235c	218/236c	203/225c
Palladium per oz.	$130.00	−5.50	$160.00	$152.25	$130.00
Platinum per oz.	$324.75	−12.25	$427.45	$411.25	$324.75
Quicksilver (76 lbs.)	$295/305		$280/290	$313/318	$290/300
Silver per oz.	551.60p	−26.55	797.95p	679.70p	551.60p
3 months per oz.	566.40p	−27.60	816.25p	694.40p	566.40p
Tin cash	£9462.5	+80	£8650.5	£9500	£8370
3 months	£9582.5	+80	£8822.5	£9615	£8517.5
Tungsten Ind.	£8517	+40	$83.07	$85.33	$73.43
Wolfram (22.04 lb.)	$76.50	−1.5	$76/80	$85/90	$71/75
Zinc cash	£648.5	−16.5	£513	$797.5	£622
3 months	£653.25	+39	£527.25	£718.25	£630.75
Producers	$990	−8.25	$820	$1080/1095	$960
GRAINS					
Barley Futures	£109.90y	−0.35	£116.10	£123.55	£105.65
Maize French	£147.75w	—	£141.00	£154.50	£145.50
WHEAT Futures	£110.40y	−0.90	£120.50	£130.50	£106.70
Hard Winter Wheat	‡	—	‡	‡	‡
SPICES					
Cloves	$4,300x	—	‡	$5,500	$4,200
Pepper, white	$3,900v	—	‡	$4,350	$3,900
black	$1,800v	—	‡	$2,350	$1,800
OILS					
Coconut (Philippines)	$1410x	—	$1000	$1,575	$1040
Groundnut $§	‡	—	‡	$1,180	$930
Linseed Crude	‡	—	$350	$444	$397
Palm Malayan	$560w	−40	$472.5	$1,000	$550
SEEDS					
Copra (Philippines)	$740x	—	$510	$985	$650
Soyabeans (U.S.)	$265w	−27	$267.5	$356	$253
OTHER COMMODITIES					
Cocoa Shipment §	£1,884	−9	£1,673	£2,173	£1,672
Cocoa Futures Sept.	£1773.5	−9	£1,518	£2,103.5	£1,528.5
Coffee Futures Sept.	£2,224.5	+23	£1,653	£2,512	£1,899.5
Cotton Index	76.50c	+1.30	86.25c	90.10c	76.50c
Dec. Coconut	£1,335	+35	‡	£1,335	£995
Gas Oil Fut. Aug.	$215.5	−11.5	$252.625	$257.75	$215.5
Jute LJA BWC grade	$595v	—	‡	$515	$485
Rubber kilo	68p	−5	80.5p	91p	58.50p
Sago Pearl	‡	—	‡	£315	£285
Sisal No. 3L	$670x	—	$645	$670	$630
Sugar (Raw)	£89.5xu	—	£180	£137	£89
Tapioca No. 1	£320x	—	‡	£320	£295
Tea (quality) kilo	278p	+3	‡	375p	275p
(low med) kilo	200p	−2	‡	270p	196p
Wooltops 64 Super	466p kilo	−4	385p kilo	477p kilo	438p ki[lo]

‡ Unquoted. (g) Madagascar. § Ghana cocoa. (w) Aug. (u) Sept. (x) July-Aug. (v) Aug-Sept. (y) Nov.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	26.80-27.10	—
Dubai Fateh	26.70	−0.10
Arab Heavy	26.00-26.30	+0.05
North Sea (Forties)	26.30	−0.37
North Sea (Brent)	26.50-27.00	−0.45
African(BonnyLi'ht)	—	—
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	250-255	−1.5
Gas Oil	214-217	−4
Heavy fuel oil	176-179	—

GAS OIL FUTURES

Weak physicals and a variety of bearish rumours fuelled the downward move in gas oil prices. The market opened $2.00 down and dropped a further dollar before finding short-covering support. Unexpected seadiness on hte New York opening rallied the market to the highs, but trade selling put renewed pressure on prices, which closed near the lows, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
July	212.75	−2.50	212.75-12.55
Aug	215.50	−2.75	217.75-15.25
Sept	218.00	−4.00	220.50-18.00
Oct	221.75	−4.25	224.50-21.75
Nov	225.50	−4.50	228.50-26.00
Dec	228.50	−5.25	231.00-29.00
Jan	230.00	−3.75	232.00-30.50
Feb	228.00	−4.00	—
March	226.00	−4.00	—

Turnover: 3,271 (3,361) lots of 100 tonnes.

GOLD MARKETS

Gold fell $6¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $336-337. The metal opened at $333¾-334 and traded between a high of $337-338 and a low of $332½-333½. Once again sentiment was influenced primarily by the dollar's firmer trend.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Aug	334.50-34.90	−9.40	338.00-32.70
Oct	340.50-41.00	−9.95	343.00-41.00
Dec	347.30-47.50	−10.25	350.70-45.00
Feb.	354.00-54.50	−10.60	355.50
April	360.00-61.00	−11.20	—
June	367.00-67.50	−11.20	—

Turnover: 465 (607) lots of 100 troy ounces.

	July 27		July 26	
Gold Bullion (fine ounce)				
Close	$336-337	(£256-256¾)	$343-343¾	(£267¾-258¼)
Opening	$333¾-334	(£252¾-253¼)	$346¼-347¼	(£258¼-259¼)
Morning fixing	$336.15	(£255.453)	$345	(£258.278)
Afternoon fixing	$335.25	(£254.063)	$344.20	(£258.408)
Gold and Platinum Coins July 27				
Krugrand	$345½-346	(£263½-264)	King Sov	$81-82¼
½ Krug.	$178-179	(£136-136½)	Victoria Sov	$81-82¼
¼ Krug.	$90½-91¼	(£69-69½)	French 20s	$63½-65¼
1/10 Krug.	$37-38	(£28½-29)	50 pesos Mex	$415-418
Mapleleaf	$345½-346½	(£263½-264½)	100 Cor Aust	$326-330

REVIEW OF THE WEEK

Copper market under renewed pressure

BY OUR COMMODITIES STAFF

COPPER PRICES lost ground on the London Metal Exchange this week in spite of another *hefty drop in warehouse stocks.* The cash price for higher grade copper was £19.25 down at £1,011.5 a tonne, after declining by £8 yesterday following the easier trend in gold and oil prices, which depressed New York values overnight.

A further decline in warehouse stocks, which fell by 12,250 tonnes, reduced total holdings to 194,075 tonnes—the lowest level since November 1982. However the market is morepre-occupied at present with fears of higher interest rates, a strong dollar and weaker gold.

Zinc values eased as fears of shortage of spot supplies lessened. The cash price lost £16.5 to £648.5 a tonne, moving *to a discount below the three* months quotation which was only £8.25 lower at £653.25. LME warehouse stocks of zinc declined by 3,573 to 56,550 tonnes, but the market was undermined by the easier trend in copper and gold, as well as more spot supplies being offered.

Lead followed a similar pattern following a smaller than expected decline in warehouse stocks.

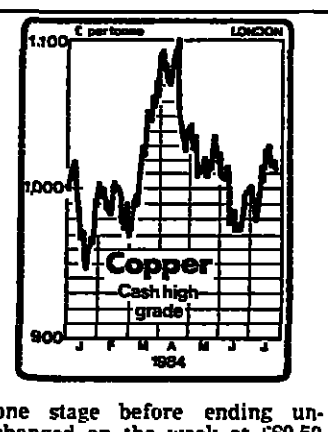
Aluminium remained under pressure, with the market largely ignoring moves by two leading producers, Alcoa and Reynolds, in the U.S. to cut output in order to reverse the recent build up in surplus stocks.

Cocoa prices fell back sharply yesterday after being pushed higher early in the week by deepening concern about the availability of good quality West African beans on European markets. As supplies from Ghana dried up the September position on the London futures market moved up to £1,839.50 a tonne on Monday but prices *then began to move lower and* yesterday's £46.50 fall, which followed the easier tone in New York and was influenced by pre-weekend booksquaring, left September cocoa down on balance at £1,773.50 a tonne.

A new report from London trade house Gill and Duffus, published this week, liftd the forecast 1983-84 supply/demand deficit to 144,000 tonnes from 132,000 tonnes in its last report. However, the report was optimistic about prospects for increased crops in 1984-85.

The world sugar market was relatively quiet but the London dailys raws slipped to a 21-month low of £89 a tonne at one stage before ending unchanged on the week at £89.50 a tonne. Dealers said the market appeared still to be dominated by bearish chart patterns and to be unimpressed by estimates that Egypt had recently purchased 88,000 tonnes of whites on the world market.

The UN Food and Agriculture Authority forecast yesterday that world sugar output could reach 100m tonnes in 1984-85, up from 96.2m tonnes in 1983-84.



BASE METALS

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	1011-.5	−6.5	1011-2	−8
3 months	1029-.5	−8	1030-.5	−8
Settlem't	1011.5	−7		
Cathodes				
Cash	1016-7	−3.5	1019-20	−5
3 months	1031-3	−5	1031-3	−5
Settlem't	1017	−4		

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,011, three months £1,030, 32.5, 32, 31, 30, 29, 29.5. Cathodes: Cash £1,017, three months £1,031. Kerb: Higher Grade: Three months £1,029, 30. Afternoon: Higher Grade: Three months £1,028, 27.5, 27, 28, 27.5, 28, 29, 31, 30.5, 30. Kerb: Higher Grade: Three months £1,030, 31, 32, 31, 30, 31, 31.5, 32, 32.5, 33, 33.5, 34, 35. Turnover: 34,150 tonnes. U.S. Producers: 63.00-68.00 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	9475-80	+65	9460-5	+57.5
3 months	9578-82	+57.5	9580-5	+42.5
Settlem't	9480	+65		
Standard				
Cash	9475-80	+62.5	9460-5	+57.5
3 months	9578-82	+57.5	9580-5	+42.5
Settlem't	9480	+65		
Straits E	$29.17	—		

Tin—Morning: Standard: Cash £9,480, three months £9,580, 90, 95, 90, 85, 80, 75, 78, 80. Kerb: High Grade: Three months £9,440, 30. Kerb: Standard: Three months £9,580, High Grade: Three months £9,425. Afternoon: Standard: Three months £9,590, 80. High Grade: Three months £9,370, 75. Turnover: 1,925 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	368-.5	+2	368.5-9.5	+1.5
3 months	363-.5	−.5	365.5-6.5	+1.75
Settlemt	368.5	+2		

Lead—Morning: Cash £368, three months £364, 63, 62, 63. Kerb: Three months £363, 63, 63, 65. Afternoon: Three months £366, 66, 67, 66.5, 67, 66. Kerb: Three months £366, 67. Turnover: 5,450 tonnes. U.S. Spot: 30.00-34.00 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	651.5-2.5	−6.5	648-9	−5
3 months	660-1	−.75	658.5-9	−3.5
Settlem't	658.5	−5		

Zinc—Morning: Three months £657, 58, 59.5, 59. Kerb: Three months £658, 58. Turnover: 23,500 tonnes. U.S. Prime Western: 50.50-50.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	870.5-1.5	+1.75	872-3	+2
3 months	893-.5	−1	895.5-6	+.5

Aluminium—Morning: Three months £896, 96, 95.5, 96. Kerb: Three months £895. Afternoon: Three months £896, 95.5, 95, 96, 95.5, 96, 95.5, 96. Kerb: Three months £896, 97, 98, 99, 900, 900.5, 901, 2, 1.5, 1. Turnover: 17,175 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3520-5	+46	3530-5	+55
3 months	3605-10	+41.5	3627-30	+54.5

Nickel—Morning: Cash £3,525, 20, three months £3,595, 3,600, 5, 10, 11, 15. Afternoon: Three months £3,615, 20, 25, 26, 27, 28, 25, 27. Kerb: Three months £3,630, 40, 50, 60, 70, 60, 50, 60, 55, 40. Turnover: 2,688 tonnes.

SILVER

Silver was fixed 11.45p an ounce lower for spot delivery in the London bullion market yesterday to finish at 531.80p. U.S. cent equivalents of the fixing levels were: spot 698.5c, down 25.8c; three-month 717.4c, down 27.2c; six-month 739.7c, down 27.9c; and 12-month 783.8c, down 30c. The metal opened at 529½-532p (695-697c) and closed at 530½-533½p (696-699c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	531.60p	−11.45	529.5	−18.5
3 months	546.40p	−12.0	544.75p	−11.5
6 months	562.20p	−12.0		
12months	592.00p	−12.0		

LME—Turnover: 6 (2,000 oz contract). Cash 529.5p (540p); three months 544.75p (559p). Turnover: 0 (0).

Turnover: 82 (36) lots of 10,000 ozs. Morning: Large second ring cash 530.0, three months 544.5, 45. Kerb: Untraded. *Afternoon: Large first ring three months* 542.5, second ring three months 545, 44, 44.5. Kerb: Large three months 542.

COFFEE

Sales: 1,972 (3,949) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for July 26: Comp. daily 1979 138.81 (140.40); 15-day average 140.97 (141.32).

COFFEE	Yesterd'ys Close	+ or —	Business Done
July	2195.00	+6.5	2202-90
Sept	2224-25	+27.0	2225-01
Nov	2240-41	+17.0	2244-23
January	2195-97	+15.0	2198-84
March	2050-55	+6.5	2050-35
May	2018-25	+6.6	2030-24
July	2002-05	+11.0	—

Sales: 1,972 (3,949) lots of 5 tonnes.

GRAINS

Business done—Wheat: Sept 107.40-107.00, Nov 110.40-110.00, Jan 114.05-113.85, March 117.00-116.70, May 119.85-119.70. Sales: 103 lots of 100 tonnes. Barley: Sept 106.20-105.70, Nov 109.60-109.30, Jan untraded, March 115.25-115.15, May untraded. Sales: 121 lots of 100 tonnes.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
Sept	107.40	+0.15	106.20	+0.10
Nov	110.40	+0.15	109.60	+0.15
Jan	114.05	+0.15	112.50	+0.10
Mar	117.00	+0.10	115.20	+0.15
May	119.95	+0.15	117.80	+0.15

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 103.70, E Mids 103.00, N East 102.20, Scotland 103.60. The UK monetary coefficient for July 30-31 will be 0.966, for August it will be 1.000 and for the week beginning Monday August 6 (based on HGCA calculations using three days' exchange rates) it is expected to remain unchanged

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Sept 143.75, Oct 145.25, mid-Oct/mid-Nov 145.75, Nov 147.25 trans shipment East Coast. English feed fob Sept 110.50, Oct 113, Oct/Dec 115 sellers East Coast. Maize: U.S. No 3 Yellow/French Aug 147.75 seller trans shipment East Coast. Barley: English feed fob Aug 108, Sept 109.50 East Coast, Oct/Dec 113.50 English/Scottish sellers. Rest unquoted.

SUGAR

LONDON DAILY PRICE—Raw sugar £89.50 ($118.00), up 50p (down $1.00), a tonne for July/Aug/Sept delivery. White sugar $150.50, up 50c.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	£ per tonne		
Aug	121.40-22.00	121.40-22.00	125.00-21.00
Oct	126.00-26.20	126.00-26.20	130.40-27.00
Dec	134.40-34.60	134.40-34.60	136.70-34.00
Mar	154.00-54.20	154.00-54.20	159.20-55.40
May	163.40-63.60	163.40-63.60	165.60-64.00
Aug	169.60-69.80	169.60-69.80	171.00-69.00
Oct	176.00-78.00	176.00-78.00	176.00

Sales: No 6 1,964 (2,575) lots of 50 tonnes.

Tate and Lyle delivery price for

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for July 26: Daily price 4.40 (4.48); 15-day average 4.53 (4.55).

PIGMEAT

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Aug	116.7	115.4	115.5-115.1
Oct	122.5	121.8	122.5-121.2
Nov	121.7	122.0	122.2-121.7
Jan	118.6	118.2	118.6
Feb	118.1	118.0	—
April	118.1	118.1	118.1-117.9
June	117.3	116.9	—

Sales: 107 (195) lots of 50 carcases 3,250 kilos.

INDICES

FINANCIAL TIMES

July 26	July 25	M'th ago	Year ago
289.71	291.29	302.45	283.28

(Base: July 1 1952=100)

REUTERS

July 27	July 26	M'th ago	Year ago
1862.0	1875.7	1918.1	1899.7

(Base: September 18 1931 = 100)

MOODY'S

July 25	July 24	M'th ago	Year ago
1016.3	1018.6	1056.6	1071.1

(Base: December 31 1974 = 100)

DOW JONES

Dow Jones	July 25	July 24	Month ago	Year ago
Spot	128.87	128.95	133.68	141.51
Fut	125.38	124.51	134.33	151.34

(Base: December 31 1974 = 100)

POTATOES

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov	90.00	90.50	96.00-90.00
Feb	101.50	106.50	103.00
April	125.00	128.80	128.0-125.5
May	129.50	135.50	135.5-129.5
Nov	78.00	78.50	77.50

Sales: 1,550 (930) lots of 40 tonnes.

SOYABEAN MEAL

	Yesterday's close	+ or —	Business Done
	£ per tonne		
August	126.00-26.00	−3.00	—
October	142.00-42.10	−2.10	142.00-42.00
Dec	145.90-46.30	−2.25	146.20-45.60
Feb	148.50-48.60	−2.00	148.00-48.50
April	149.00-48.50	−1.75	149.00-48.00
June	149.50-50.00	−1.25	149.50-49.00
August	150.00-51.50	−2.00	—

AMERICAN MARKETS

NEW YORK, July 27.

*Gold and silver rallied on short-*covering late in the session on an oversold condition as the markets failed to respond to oil price cuts by the Soviet Union, reports Heinold Commodities. Copper was firm in response to the rally in gold and silver. Sugar finished slightly lower on commission house liquidation. Cocoa weakened as favourable crop prospects discouraged trade selling. Coff firmed on short-covering ahead of any potential freeze threat. C[otton] was firm on light mill pricing. H[eating] oil continued to trade lower [in]fluenced by steadily eroding crude markets and the Soviet cutting its contract price for A[rabian] by $1.50 per barrel. Grains and [soya]beans attracted additional selli[ng] [on] continued moisture and mo[derate] temperatures across the Midwest [and] forecasts for rain in the Delta. [Chinese] purchases of soyabean oil by [illegible] provided light support.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
August	52.00	—	—	52.30
Sept	52.60	52.75	52.75	52.90
Dec	54.35	54.75	54.45	54.65
Jan	54.95	—	—	55.25
March	56.10	56.25	56.25	56.40
May	57.30	—	—	57.60
July	58.50	—	—	58.80
Sept	59.70	—	—	60.00
Dec	61.50	—	—	61.80
Jan	62.10	—	—	62.40

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Sept	2077	2119	2038	2105
Dec	2075	2103	2035	2097
March	2075	2097	2038	2097
May	2087	2110	2052	2112
July	2120	2120	2078	2127
Sept	2120	2135	2120	2133
Dec	—	—	—	2163

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	139.40	139.70	138.00	138.45
Dec	136.62	136.95	135.81	136.00
March	135.10	135.40	134.65	134.70
May	134.10	134.10	133.80	133.80
July	132.80	133.00	132.50	132.50
Sept	131.53	131.80	131.75	131.20
Dec	131.13	131.10	131.00	129.88

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
August	58.15	—	—	57.65
Sept	58.75	58.80	58.15	58.25
Dec	60.05	60.50	59.35	59.55
Jan	61.05	61.00	61.00	60.00
March	62.05	62.10	61.65	61.55
May	63.45	63.60	62.65	62.85
July	64.75	64.50	64.10	64.15
Sept	66.00	65.60	65.70	65.50
Dec	67.90	67.95	67.20	67.40
Jan	68.50	—	—	68.00

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	68.70	67.28	66.65	66.77
Dec	67.76	67.90	66.88	67.06
March	69.35	69.75	68.86	69.03
May	70.30	—	—	70.00
July	70.80	—	—	70.60

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Sept	27.78	27.87	27.63	27.77
Oct	27.63	28.11	27.88	27.95
Nov	28.10	28.23	27.92	28.10
Dec	28.21	28.32	28.08	28.19
Jan	28.18	28.30	28.17	28.17
Feb	28.05	28.05	28.05	28.06
March	28.00	28.00	28.00	27.84
April	28.00	28.00	28.00	27.85
May	28.00	28.00	28.00	27.84
June	27.95	—	—	27.82

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
August	340.2	341.0	334.5	338.0
Sept	345.1	—	—	338.9
Oct	347.8	349.5	338.0	343.8
Dec	355.3	356.5	345.0	349.9
Feb	362.3	362.5	354.0	356.6
April	369.5	369.5	360.5	363.2
June	376.9	374.0	369.5	369.2
August	384.5	377.0	376.6	376.8
Oct	392.2	386.0	385.0	384.3
Dec	400.0	392.0	392.0	391.4
Feb	408.5	—	—	399.2
April	417.5	—	—	408.2

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
August	72.75	73.15	71.65	72.89
Sept	72.78	73.75	72.40	73.10
Oct	73.80	74.65	73.60	74.08
Nov	75.15	75.60	74.95	75.51
Dec	76.00	76.95	75.70	76.50
Jan	77.25	77.90	77.70	77.60
Feb	76.75	76.90	76.75	77.22
March	75.00	—	—	76.00
April	73.50	—	—	74.00

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Sept	167.90	68.60	67.50	69.00
Nov	165.70	67.40	66.20	67.25
Jan	165.70	66.40	65.00	67.10
March	166.85	—	—	67.20
May	166.60	—	—	68.40
July	166.60	—	—	68.40
Sept	166.60	—	—	68.40
Nov	166.60	—	—	68.40

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	332.0	—	—	322.4
Oct	334.5	335.0	325.5	325.1
Jan	340.1	343.5	335.0	333.7
April	347.4	347.0	345.5	343.5

SILVER 5,000 troy oz, cents/troy o[z]

	Close	High	Low
August	706.0	700.0	685.0
Sept	713.0	715.0	585.0
Dec	733.3	735.0	706.0
Jan	740.5	735.0	735.0
March	754.9	757.0	730.0
May	770.2	755.0	750.0
July	786.0	760.0	760.0
Sept	802.7	732.0	780.0
Dec	829.7	819.0	819.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Sept	4.53	4.55	4.47	[illegible]
Oct	4.80	4.72	4.60	[illegible]
Jan	5.29	5.24	5.25	[illegible]
March	5.93	5.87	5.76	[illegible]
May	6.13	6.19	6.08	[illegible]
July	6.46	6.45	6.38	[illegible]
Sept	6.75	6.75	6.70	[illegible]
Oct	6.90	6.90	6.83	[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low
August	62.17	63.47	62.87
Oct	61.27	61.55	61.05
Dec	62.47	62.65	62.30
Feb	63.30	63.47	63.10
April	64.07	64.45	64.02
June	65.15	65.15	65.10

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low
Aug	51.62	51.97	51.25
Oct	47.57	48.15	47.25
Dec	49.15	49.52	48.97
Feb	50.20	50.25	49.70
April	47.85	48.25	47.70
June	50.30	51.05	50.30
July	52.25	52.55	51.95
Aug	51.60	51.65	51.60
Oct	50.00	50.45	50.00

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low
Sept	278.6	279.6	278.0
Dec	276.2	278.4	276.0
March	285.6	286.6	285.6
May	290.4	291.6	290.0
July	283.6	294.0	293.0
Sept	279.0	280.0	279.0
Dec	264.0	264.4	264.0

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low
Aug	55.10	55.50	53.80
Feb	64.15	65.10	63.65
March	63.75	64.35	62.95
May	64.35	65.10	63.85
July	65.80	67.55	65.80
Aug	64.00	64.75	64.00

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low
Aug	607.4	612.4	608.0
Sept	611.4	618.0	609.4
Nov	603.0	612.0	601.0
Jan	620.2	624.4	614.0
March	634.0	640.0	632.4
May	644.0	650.0	642.0
July	647.0	650.0	644.0
Aug	650.0	—	—
Nov	635.0	635.0	633.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low
Aug	152.5	157.0	151.5
Sept	155.8	159.8	155.0
Oct	157.7	161.8	157.2
Dec	161.5	165.0	160.5
Jan	164.8	168.5	164.5
March	168.7	172.0	168.0
May	170.9	173.5	170.0
July	174.2	177.0	174.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low
Aug	24.93	24.95	24.60
Sept	25.62	25.65	24.66
Oct	24.30	24.30	23.80
Dec	23.96	24.00	23.55
Jan	23.92	24.00	23.55
March	23.80	23.80	23.50
May	23.90	24.00	23.70
July	24.05	24.05	23.85
Aug	24.15	—	—

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low
Sept	343.2	346.4	341.4
Dec	360.4	362.4	359.2
March	370.4	372.4	370.0
May	370.0	372.0	369.4
July	357.4	359.4	356.6
Sept	364.0	364.0	364.0

SPOT PRICES—Chicago loose lard 27.00 (same) cents per pound. New York tin 571.0-76.0 (575.0-85.0) cents per pound. Handy and Harman [silver bullion] [illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

Oils volatile on concern over world crude prices

Gilt-edged lose recent gains as sterling falls

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 16	July 26	July 27	Aug 6
July 30	Aug 9	Aug 10	Aug 20
Aug 13	Aug 30	Aug 31	Sept 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

The parlous state of world crude oil prices unsettled London stock markets yesterday. Unconfirmed reports that Nigeria was threatening to break with the Organisation of Petroleum Exporting Countries and then lower prices put sterling under scrutiny again. Much of its recent recovery against the dollar was surrendered, despite Nigeria later dismissing the rumours.

Oil shares ran into strong selling pressure and leading prices fel sharply. Disappointing half-yearly results from Britoil aggravated sentiment further after mid-day, but later in the session a rally developed. The latter movement continued throughout the afternoon and into late dealings to such extent that leading groups finally closed only marginally easier on the session. Reports that Russia had cut crude prices by $1.50 a barrel failed to halt the recovery.

Leading industrial stocks followed Oils. Early firmness, which had reflected the overnight Wall Street trend, was lost as investors showed little desire to open fresh positions on the last day of a trading Account. Business naturally suffered, returning to the low levels experienced earlier in the week. "New-time" interest was negligible, but after the official 3.30 pm close demand without penalty for the Account starting on Monday took top-quality shares higher. The outcome was that the FT Industrial Ordinary share index closed only 1.1 off on balance at 776.4; at the 2 pm calculation, the measure was 7 points down.

Life Insurances react

Government securities viewed the lower sterling exchange rate with some apprehension. Initial stability generated by another good U.S. bond market performance overnight gave way and quotations retreated throughout the list. Selling was described as light and usually from small nervous holders, but longer-dated gilts still gave up most of Thursday's gains to close around ½ lower. The shorts, in common with index-linked issues, slipped a maximum of ⅜.

Firm of late on takeover speculation, Life Insurances retreated on end-Account profit-taking. **Prudential** fell 8 to 482p and **Legal and General** lost the same amount at 490p. **Pearl** softened 7 to 818p and **Hambro Life** 6 to 392p. **Sun Life**, which have been particularly active over the past few weeks on talk of a substantial share stake changing hands, recovered from an initial lower level of 643p to finish a couple of pence harder on the day at 650p. Elsewhere, **General Accident** drifted 5 lower to 460p and **Commercial Union** gave up at 203p: the latter's interim figures are scheduled for August 8. Lloyds Brokers were undecided. **Windsor Securities** hardened a penny to 46p, while **Hogg Robinson**, annual results due on Monday, eased that much to 189p.

Clearers ended the Account on a fairly steady note. **Midland**, at 333p, held the previous day's gain of 6 following comment on the interim results. **NatWest**, the next to report first-half figures on Tuesday, gave up 6 at 593p, after 590p, while **Lloyds** softened a couple of pence to 438p, after 435p. **Barclays** shrugged aside persisting rumours of an impending rights issue to finish 3 better at 443p.

Building shares were inclined easier in quiet trading. **Blue Circle** gave up 7 at 355p among the leaders. Housebuilders to give ground included **Geo Wimpey**, 4 off at 96p, and **Barratt Developments**, 2 cheaper at 86p. Dealings resumed in **Glossop** at 67p following the announcement of an agreed 70p cash bid from Colas Products.

Comment on the half-year figures helped to enliven interest in **ICI** which closed 6 up at 548p. Speculative demand prompted a rise of 8 to 75p in **Leigh Interests**.

De Brett down again

Lacklustre and static for most of the day, leading Retailers responded to scrappy after-hours interest. **Marks and Spencer** attracted a two-way trade and finished the turn harder at 219p: the shares will be quoted ex the 1-for-1 scrip issue on Monday. **Burton** rose 2 for a gain on the week of 10 at 230p. Elsewhere, outsize clothing group **Andre De Brett** remained exceptionally nervous in the wake of full-year deficit and omitted final dividend: the shares declined 4 to record a two-day loss of 8 at 12p. **Alfred Preedy**, a recent speculative favourite, shed 4 to 100p in front of Monday's preliminary figures. **Forminster** were marked 6 higher to 153p on the annual results, but the lack of bid developments left **Vantona Viyella** 7 off at 219p.

Standard Telephone and Cables continued to give ground following its surprise bid for ICL and closed a further 10 down at 266p for a two-day fall of 38. **ICL** closed 3 cheaper at 81p which compares with the STC share exchange offer value of 76p. Elsewhere in the Electrical sector, news of the agreed cash bid of 255p from IMI prompted a jump of 60 to 240p, while **Eurotherm** hardened 3 to 248p in response to Press mention. **Munford and White** reacted 8 to 117p on profit-taking following the recent rise on tentative bid approaches. Adverse comment left **Micro Focus** 15 cheaper at 635p.

Leading Engineers joined in the late rally. Most quotations were rarely altered at the close of business, but **TI** finished 6 to the good at 230p: the interim results are due on August 9. Elsewhere, **Hallite** slumped 20 to 150p on the annual loss. **Simon** remained on offer at 368p, down 5, but late support left **Stothert and Pitt** 8 better at 118p.

Nervously sold down to a new low for the year of 164p ahead of the annual meeting, **Northern Foods** closed 10 lower at 166p following the chairman's renewed warning that first-half profits were unlikely to equal last year's particularly good figure. Elsewhere in Foods, **Brooke Bond**, awaiting further bid developments following its rejection of **Tate and Lyle**'s cash and share-exchange offer, softened a penny but still closed 3 higher on the week at 10p: Tate rose 7 to 322p, making its bid currently worth 96p per Brooke Bond share. **Cadbury Schweppes** gained a penny to 118p as did **S. and W. Berisford**, to 159p. **Singlo** moved up 3 to 55p following comment on the results.

BAe volatile

Easier for most of the session, leading miscellaneous industrials picked up late and most ended little altered on balance. **BTR**, however, still recorded a fall of 7 at 420p, while **Hanson Trust** finished 5 cheaper at 197p. **British Aerospace** remained a volatile market awaiting bid moves from GEC and fell to 328p before rallying smartly after-hours to close only a couple of pence cheaper at 336p. **NMW Computers**, still reflecting Applied Computer Techniques' 6.16 per cent holding, improved 10 more to 300p. **Bath and Portland** came to life with a rise of 7 to 175p, while occasional support ahead of next Tuesday's preliminary figures left **AIM** 3 up at 115p. **J. and J. Dyson** responded to the annual profits recovery with a rise of 4 to 57p and favourable Press mention prompted a gain of 2 to 36p in **Cowan de Groot**. **Initial**, in contrast, dipped to 405p on news that BET's bid had been referred to the Monopolies Commission before closing 55 down on balance at 431p. Late offerings left **Johnson Matthey** 7 cheaper at 223p. Hong Kong stocks took a turn for the better, **Hutchison Whampoa** improving 5 to 89p and **Jardine Matheson** a similar amount to 59p.

Horizon Travel staged a good recovery in Leisures, rallying 10 to 118p: the half-year results are due on August 7.

Interest in Motors again centred on Distributors. **Lex Service** revealed interim profits much as expected, but the shares reacted sharply to the chairman's warning about second-half prospects and dipped to 330p before settling 15 lower on balance at 343p. The absence of bid news prompted profit-taking in **Lookers**, which closed 5 off at 108p, after 106p. **Henlys** shed a couple of pence to 125p; still 5 above the contested offer from Midepsa.

Properties made a quietly firm showing. **MEPC** improved 6 to 287p and **Stock Conversion** firmed 3 to 340p. **Regalian** added 2 to 78p, after 80p, in response to the better-than-expected annual results. **Espley Trust**, however, succumbed to profit-taking and lost 5 of its recent recovery at 35p.

Textiles were irregular. **Nottingham Manufacturing** succumbed to fresh selling behind last Monday's half-timer and fell 8 for a loss on the week of 14 at 188p. **Tootal**, on the other hand, attracted late speculative support and firmed 3½ to 49p½. **Burmatex** eased a few pence to 152p in front of Monday's interim figures.

Tobaccos trended to lower levels despite a bullish quarterly review from brokers de Zoete and Bevan. Only **Rothmans International**, additionally buoyed by favourable comment, made progress in gaining 5 to 143p.

Oils dip and rally

Leading Oils continued their recent depressing performance for much of the session reflecting the world crude oil price situation. Adding to the gloomy picture was a disappointing set of interim figures from Britoil where net profits of £63.4m were well below market expectations.

News late in the afternoon that the Soviet Union had cut the official price of Urals crude prices was an additional drag on share prices. However, the emergence of substantial after-hours' buying and a general feeling that the recent heavy falls in oils had been overdone prompted a strong recovery. Eventually, most issues settled with only minor losses on the day.

Britoil were actively traded and slumped to a 1984 low of 193p immediately following the half-year figures before recovering to close only 5 off at 205p. **Shell**, a particularly vulnerable market over the week during which the price of Brent crude has fallen below the crucial $28 a barrel mark, dropped to a year's low of 538p prior to closing only 7 down at 550p, although still 57 lower on the week: the interim results are scheduled for August 9. **BP** were finally a couple of pence cheaper at 428p, having dropped to 416p initially, while **Ultramar** gave up 5 at 221p, after a 1984 low of 213p.

Secondary issues also rallied in the after-hours' trade with **Carless Capel** closing little changed at 205p, after 193p, and **Petranol** only 5 down on balance at 375p, after 365p. News of an encouraging oil discovery in the Paris Basin failed to inspire **Invent Energy**, which fell 15 to 363p.

A lively market all week on revived rumours of the imminent sale of its near-30 per cent holding in House of Fraser, **Lonrho** finished the Account on a bright note. The price rose to 140p before closing 4 better for a five-day advance of 11 to 139p; once again covering of traded option positions was cited as a important factor and sentiment was also given a boost by talk of a broker's bullish circular being in the offing. The interim figures are scheduled for next Thursday. Elsewhere in Overseas Traders, **Inchcape** firmed 8 to 313p following a "buy" recommendation emanating from a visit by de Zoete and Bevan.

Golds lower

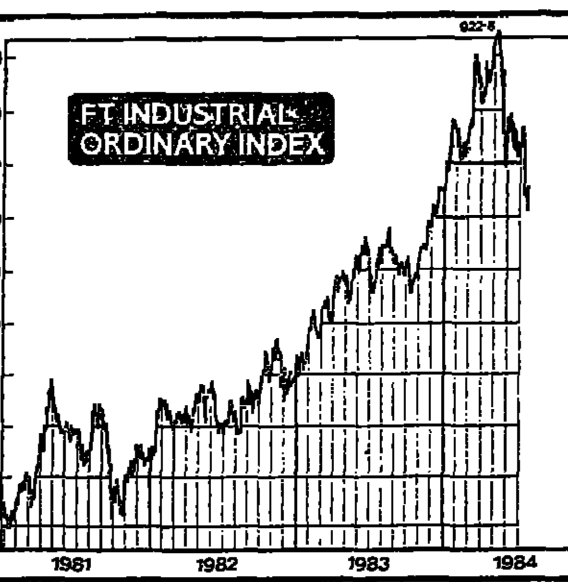
Overnight weakness in the bullion price following the latest rise in the dollar followed through into London where gold dropped to around $331 in early afternoon trading before closing a net $6.87 easier at $336.5 an ounce.

Consequently, South African Golds and other mining markets staged a broad retreat after two days of strong gains.

Share prices opened around overnight U.S. levels and managed minor gains in early trading when bullion touched $340. However, a subsequent decline in the metal price and renewed weakness in the rand against the dollar encouraged persistent selling from Johannesburg and prices fell sharply to close at the day's lowest levels. The Gold Mines index fell 11.6 to 502.4, to show a week's decline of 7.4.

South African Financials were depressed by the losses in gold and gold shares. The sector leaders all fell to 1984 lows with **De Beers** 17 off at 398p, and **Anglo American Corporation** and **Gencor** down ½ apiece at £10 and £11½ respectively.

Traded Options attracted 3,789 contracts, bringing the week's daily average to 3,937—a figure boosted by the expiry of the July series on Wednesday. The FTSE 100 accounted for 495 calls and 570 puts. A lively two-way business developed for **Grand Metropolitan** with 205 calls and 153 puts struck, while **Lonrho** calls were again in demand, with 244 transacted.



FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri July 27 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Thur July 26 Index No.	Wed July 25 Index No.	Tues July 24 Index No.	Mon July 23 Index No.	Year ago (approx.) Index No.	1984 High		1984 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (203)	461.37	−0.6	10.75	4.18	11.70	463.99	456.80	453.25	452.10	471.00	533.05	21/3	450.90	12/7	533.05	21/3/84	50.71	13/12/74
2	Building Materials (23)	420.63	−0.5	15.15	5.68	8.14	422.82	412.23	409.74	411.76	423.46	537.59	27/4	402.18	12/7	537.59	27/4/84	44.27	11/12/74
3	Contracting, Construction (30)	606.77	−0.7	16.05	6.23	7.94	611.23	605.69	605.35	610.57	726.83	776.48	25/4	602.70	19/7	831.09	15/3/83	71.48	2/12/74
4	Electricals (14)	1411.79	−0.9	11.41	5.28	10.89	1424.64	1406.87	1404.80	1428.71	1798.26	1802.52	20/3	1404.30	24/7	1909.93	3/6/83	84.71	25/6/62
5	Electronics (31)	1654.80	−0.1	8.87	2.46	14.44	1656.38	1631.24	1613.55	1594.81	0.0	1886.14	16/3	1581.70	31/5	1886.14	16/3/84	1581.70	31/5/84
6	Mechanical Engineering (62)	234.93	−0.7	12.00	5.18	10.21	236.65	233.12	231.01	231.77	201.56	253.45	27/4	212.79	3/1	253.45	27/4/84	45.43	5/1/75
8	Metals and Metal Forming (9)	170.47	−1.4	11.79	7.41	10.97	172.86	170.15	169.43	170.39	172.14	209.74	13/3	162.97	12/7	209.74	13/3/84	49.65	6/1/75
9	Motors (17)	113.83	−1.7	7.23	5.35	—	115.81	112.83	113.34	113.25	117.40	146.06	20/3	112.73	19/7	170.59	15/1/69	19.91	6/1/75
10	Other Industrial Materials (17)	597.84	−1.1	7.85	4.10	15.80	604.43	599.68	594.89	592.40	525.61	712.82	3/5	592.04	13/7	712.82	3/5/84	277.55	15/1/81
21	CONSUMER GROUP (193)	471.31	−0.2	11.77	4.75	10.46	472.44	467.80	465.51	465.62	431.34	551.11	3/5	461.40	3/1	551.11	3/5/84	61.41	13/12/74
22	Brewers and Distillers (23)	487.89	−0.1	13.22	5.18	9.28	488.46	486.74	490.00	488.27	454.35	561.46	2/5	439.89	3/1	561.46	2/5/84	69.47	13/12/74
25	Food Manufacturing (22)	369.63	−0.5	15.11	5.91	8.16	371.45	367.47	365.01	365.00	337.76	413.61	3/5	356.25	12/7	413.61	3/5/84	59.67	11/12/74
26	Food Retailing (12)	1095.47	−0.4	8.01	2.93	16.44	1099.90	1078.31	1078.35	1092.79	875.45	1247.59	3/5	1057.23	10/2	1247.59	3/5/84	54.25	11/12/74
27	Health and Household Products (9)	771.83	−0.3	6.42	3.14	18.66	774.51	762.90	764.31	761.61	820.16	830.60	27/4	706.26	4/1	879.98	18/4/83	175.38	28/5/80
29	Leisure (23)	528.92	—	10.39	5.76	12.40	529.13	522.19	525.64	524.61	566.10	711.98	20/3	522.19	25/7	711.98	20/3/84	54.83	9/1/75
32	Newspapers, Publishing (13)	1183.04	−0.3	9.01	4.62	13.91	1186.19	1168.94	1176.56	1183.94	979.54	1375.84	2/5	1087.65	3/1	1375.84	2/5/84	55.08	6/1/75
33	Packaging and Paper (15)	217.38	−0.2	16.26	6.36	7.11	217.75	215.43	211.47	213.21	187.14	271.05	2/5	211.47	24/7	271.05	2/5/84	43.46	6/1/75
34	Stores (46)	407.09	+0.3	10.42	4.39	12.80	406.07	401.68	392.36	391.17	378.50	498.42	16/3	388.27	12/7	498.42	16/3/84	52.63	6/1/75
35	Textiles (19)	245.95	−0.7	14.94	5.44	7.76	247.75	246.48	244.40	244.58	211.24	317.42	3/5	243.79	16/7	317.42	3/5/84	62.66	11/12/74
36	Tobaccos (3)	593.58	−0.9	18.90	6.14	5.98	598.95	600.56	600.00	602.60	407.64	685.11	3/5	508.50	5/1	685.11	3/5/84	94.34	13/6/62
39	Other Consumer (8)	416.74	+0.4	15.34	5.18	—	415.17	412.88	412.35	414.29	410.52	497.79	26/3	412.35	24/7	497.79	26/3/84	229.84	28/9/81
41	OTHER GROUPS (67)	415.68	−0.3	11.60	4.87	10.79	416.85	412.94	412.01	411.92	388.88	466.08	26/3	408.65	12/7	466.08	26/3/84	58.63	6/1/75
42	Chemicals (17)	557.75	+0.6	15.90	5.64	8.02	554.31	549.58	550.99	548.11	514.85	646.55	17/1	543.52	13/7	646.55	17/1/84	71.20	1/12/74
44	Office Equipment (4)	124.24	−0.9	9.00	6.38	12.74	125.39	124.17	124.36	125.12	114.11	144.90	20/3	109.30	3/1	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (14)	809.87	−0.8	8.55	5.42	16.06	816.00	805.82	801.28	801.95	706.01	930.08	20/3	766.98	12/7	930.08	20/3/84	90.80	29/6/62
46	Miscellaneous (52)	569.62	−0.8	9.27	4.09	13.10	574.13	568.73	565.68	567.19	524.82	643.31	17/5	533.90	4/1	643.31	17/5/84	60.39	6/7/75
49	INDUSTRIAL GROUP (483)	464.64	−0.3	11.42	4.59	10.88	466.26	460.88	458.41	458.09	442.11	536.27	3/5	456.41	12/7	536.27	3/5/84	59.01	13/12/74
51	Oils (17)	942.70	−1.0	15.63	7.16	7.95	952.47	962.30	966.29	973.32	950.22	1199.54	21/5	942.54	3/1	1199.54	21/5/84	87.23	29/5/62
59	500 SHARE INDEX	504.63	−0.5	12.10	5.00	10.27	506.95	502.88	500.98	501.28	484.64	587.29	3/5	500.98	24/7	587.29	3/5/84	63.49	13/12/74
61	FINANCIAL GROUP (120)	365.71	−0.3	—	5.86	—	[illegible]	363.91	361.88	364.00	326.51	395.23	30/1	344.83	31/5	395.23	30/1/84	55.88	13/12/74
62	Banks (6)	350.69	−0.1	25.49	8.09	4.61	[illegible]	348.98	344.02	349.00	364.14	425.91	25/1	336.01	31/5	425.91	25/1/84	62.44	12/12/74
63	Discount Houses (9)	388.33	−0.1	—	7.88	—	[illegible]	378.12	377.59	382.32	290.42	479.31	16/4	369.10	12/1	479.31	16/4/84	81.40	10/12/74
65	Insurance (Life) (9)	500.05	−1.3	—	5.33	—	[illegible]	502.40	501.18	488.59	466.91	557.44	3/2	443.08	31/5	557.44	3/2/84	44.88	2/1/75
66	Insurance (Composite) (9)	275.28	−1.1	—	6.47	—	[illegible]	276.07	272.78	274.52	215.03	291.43	2/4	247.22	3/1	291.43	2/4/84	43.96	13/12/74
67	Insurance (Brokers) (6)	771.91	−0.6	[illegible]	4.36	14.35	776.94	775.98	775.16	781.03	528.59	817.52	5/7	610.72	1/3	817.52	5/7/84	65.86	16/12/74
68	Merchant Banks (12)	185.58	−0.1	—	5.52	—	185.76	184.10	184.10	187.64	196.47	251.54	11/4	184.10	24/7	278.57	1/5/72	31.21	7/1/75
69	Property (53)	554.71	+0.5	5.78	3.85	23.27	552.19	548.58	549.65	555.94	443.04	587.38	2/5	520.77	10/2	587.38	2/5/84	56.01	20/4/65
70	Other Financial (19)	230.31	+0.9	12.53	6.00	9.67	228.26	224.39	224.07	227.16	248.72	283.65	30/1	224.07	24/7	303.18	18/5/72	33.29	17/12/74
71	Investment Trusts (104)	464.23	+0.4	—	3.95	—	462.35	458.09	458.43	462.78	442.05	527.99	21/3	457.91	1/6	527.99	21/3/84	71.12	13/12/74
81	Mining Finance (4)	257.86	+0.2	10.85	5.81	11.83	257.30	254.69	250.14	250.34	293.16	337.57	10/4	250.14	24/7	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	508.85	+1.2	10.43	7.50	12.40	502.65	497.34	493.81	501.10	461.87	591.31	26/3	485.16	12/7	591.31	26/3/84	97.37	6/1/75
99	ALL-SHARE INDEX (742)	468.94	−0.4	—	5.13	—	470.61	466.78	464.84	465.83	415.97	536.71	3/5	464.84	24/7	536.71	3/5/84	61.92	13/12/74
		Index No.	Day's Change	Day's High	Day's Low														
	FT-SE 100 SHARE INDEX	995.6	−3.5	999.9	988.1	—	999.1	996.2	989.6	986.9	0.0	1141.6	3/5	986.9	23/7	1141.6	3/5/84	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri July 27	Day's change %	Thur July 26	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	112.95	−0.11	113.08	—	6.93
2	5–15 years	119.88	−0.42	120.38	—	8.28
3	Over 15 years	127.24	−0.46	127.84	—	8.33
4	Irredeemables	137.64	−0.30	138.06	—	7.27
5	All stocks	120.28	−0.32	120.67	—	7.86
6	Debentures & Loans	101.58	−0.33	101.91	—	5.55
7	Preference	74.11	+0.23	73.93	—	3.57
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	98.60	−0.28	98.88	—	1.53

	AVERAGE GROSS REDEMPTION YIELDS		Fri July 27	Thur July 26	Year ago (approx.)	1984 Highs		1984 Lows	
	British Government								
1	Low Coupons	5 years	11.92	11.85	10.16	11.96	23/7	9.24	17/1
2		15 years	11.54	11.46	10.76	11.58	23/7	9.88	9/1
3		25 years	10.87	10.82	10.37	10.98	23/7	9.63	9/1
4	Medium Coupons	5 years	12.97	12.88	11.84	13.03	23/7	10.49	13/3
5		15 years	12.08	11.96	11.53	12.19	23/7	10.41	9/1
6		25 years	11.23	11.13	10.82	11.53	23/7	9.87	9/1
7	High Coupons	5 years	13.02	12.92	12.00	13.02	27/7	10.62	6/3
8		15 years	12.19	12.10	11.71	12.26	23/7	10.61	13/3
9		25 years	11.27	11.20	10.95	11.40	23/7	9.98	9/1
10	Irredeemables†		10.76	10.72	10.18	10.80	19/7	9.57	13/3
11	Debs & Loans	5 years	12.84	12.82	12.58	12.90	16/7	11.18	22/3
12		15 years	12.96	12.91	12.40	13.04	12/7	11.29	29/3
13		25 years	12.99	12.93	12.34	13.10	12/7	11.29	29/3
14	Preference†		13.38	13.42	12.56	13.44	17/7	11.90	7/3
15	Inflation rate	5%	3.99	3.96	3.34	3.99	11/7	3.16	4/1
16		10%	3.79	3.76	3.16	3.81	11/7	2.99	4/1

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13
Other Consumer	31/12/80	238.14	Food Retailing	29/12/67	114.13
Health/Household Products	30/12/77	261.77	Insurance Brokers	29/12/67	96.67
Other Groups	31/12/74	63.75	Mining Finance	29/12/67	100.00
Overseas Traders	31/12/74	100.00	All Other	10/04/62	100.00
Electronics	30/12/83	1646.65	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGE: Bowater Corp is now Bowater Industries and Siebe Gorman is now Siebe.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (18)

AMERICANS (7)
Ameritech, Bell Atlantic, Florida Pwr. Light, Pacific Telesis, Pub. Serv. Elect. Gas, Southwestern Bell, U.S. West

CANADIANS (1)
Hawker Sidd. Can.

FOODS (3)
Cullen's Stores, Singlo, Meadow Farm Prod.

HOTELS (1)
Midsummer Inns

INDUSTRIALS (2)
Lep Group, Phillips Patents

PROPERTY (1)
Allied London

TRUSTS (2)
Camellia Invs., Antofagasta Hldgs.

MINES (1)
Kamunting

NEW LOWS (80)

BRITISH FUNDS (5)
Treas. 12pc 1994, Treas. I.L. 2pc 1990, Treas. 9pc 1994, Treas. I.L. 2½pc '11, Conv. 3½pc '61 Aft.

INT. BK. & O'SEAS GOVT. STLG. ISS. (2)
NZ 14¼pc 1987, Sweden 13½pc 1986

AMERICANS (1)
Bethlehem Steel

CANADIANS (3)
Bow Valley, Greenwich Res. Inc., Breakwater Res.

BANKS (1)
Woodchester Invs.

BUILDINGS (3)
Blue Circle, Wimpey (G.), Douglas (Robt. M.)

CHEMICALS (1)
British Tar Prods.

STORES (3)
Casket (S.), De Brett (Andre), Castle (G. B.)

ELECTRICALS (5)
Acorn Computer, Memec, BICC, Memory Computer, Grosvenor

ENGINEERING (4)
Cooper Inds., Simon Eng., Hallite, Westland

FOODS (1)
Northern Foods

INDUSTRIALS (8)
Bruntons (Mussel.), Rexmore, Duport, United Parcels, Havelock Europa, Whitecroft, Inter-City Invs., Zygal Dynamics

INSURANCE (1)
Liberty Life

MOTORS (1)
Davis (Godfrey)

NEWSPAPERS (1)
Daily Mail

SOUTH AFRICANS (3)
Barlow Rand, S.A. Brews., Messina

TEXTILES (2)
Burmatex, Notts. Mfg.

TRUSTS (9)
Cons. Venture, Personal Assets, Continental & Ind., Viking Resources, F. & C. Enterprise, Centreway Trust, Law Debenture, Kitchen (R.) Taylor, Murray Ventures

OILS (15)
Atlantic Resources, Floyd Oil, Britoil, Jacksons Expl., Bula Res., LASMO, Charterhall, Petrogen Petroleum, Hunting Pet. 10pc Cnv. Ln. 1997, Shell Transport, TR Energy, Imp. Cont. Gas, Tricentrol, Do. 8pc Cnv. Uns. Ln. 1995-2002, Ultramar

OVERSEAS TRADERS (1)
Finlay (James)

MINES (10)
Simmer & Jack, Minorco, Anglo Amer. Corp., Anglo-Am. Inv., Anglovaal, De Beers Dfd., Gencor, Endeavour, Jo'burg Cons., Northgate Explrtn.

RISES AND FALLS

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	0	95	7	232	210	68
Corpns. Dom. and Foreign Bonds	2	12	66	45	50	305
Industrials	195	233	980	1,065	1,224	4,753
Financial and Props.	112	70	342	484	542	1,614
Oils	10	43	69	71	186	356
Plantations	5	0	15	13	14	73
Mines	23	75	77	198	286	391
Others	94	32	139	284	356	683
Totals	441	560	1,695	2,372	2,868	8,243

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
British Aerospace	336	−2	ICI	548	+6
BP	428	−2	Initial	431	−55
Britoil	205	−5	Lonrho	139	+4
Brooke Bond	110	−1	Northern Foods	166	−10
Hanson Trust	197	−5	Shell Transport	550	−7
ICL	81	−3	Stnd. Tel. and Cables	266	−10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
ICL	41	84	+23	Bulmer (H. P.)	15	153	+5
Std. Tel. & C.	32	276	−28	Shell Transport	15	557	−6
Cosalt	22	71	−2	Comrcl. Union	14	207	—
Br. Aerospace	21	338	+14	GEC	14	184	+2
Rugby P. Cem.	21	112	+7	BP	13	430	−5
Brooke Bond	17	111	+1	Hanson Trust	13	202	+3
ICI	17	542	+4	P & O Deferred	13	302	+3

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs close	Change on week
Brooke Bond	105	111	+37	BP	74	430	−23
Shell Transport	89	557	−51	GEC	74	184	+4
ICI	88	542	—	Thorn EMI	73	400xr	−1
ICL	80	84	+31	Br. Aerospace	71	338	+16
Glaxo	77	427	+1	NatWest Bank	70	598	−7
BTR	76	427	+1	Mks. & Spncr.	69	218	+8
RTZ	75	623	−7	Std. Tel. & C.	67	276	−30

FINANCIAL TIMES STOCK INDICES

	July 27	July 26	July 25	July 24	July 23	July 20	Year ago
Government Secs	78.16	78.42	78.81	78.09	78.06	78.44	78.89
Fixed Interest	80.83	80.89	80.73	80.66	80.87	80.97	82.39
Industrial Ord.	776.4	777.5	770.9	768.5	758.3	770.2	711.3
Gold Mines	502.4	514.0	494.2	488.1	490.5	509.8	666.0
Ord. Div. Yield	5.27	5.27	5.33	5.29	5.39	5.14	4.52
Earnings, Yld.% (full)	12.24	12.05	12.15	12.21	12.30	11.88	9.93
P/E Ratio (net)	9.76	9.97	9.89	9.83	9.84	10.11	13.07
Total bargains (Est.)	17,757	17,411	18,484	17,230	15,948	17,357	20,788
Equity turnover £m.	—	238.06	168.24	127.81	201.38	250.49	231.53
Equity bargains	—	14,441	11,650	13,172	13,046	18,972	17,628
Shares traded (ml)	—	130.1	109.4	118.5	216.5	164.4	151.0

10 am 778.7. 11 am 777.5. Noon 777.7. 1 pm 771.1. 2 pm 770.3. 3 pm 770.5.

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=9.36

† Correction

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (3/1)	75.96 (25/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	80.66 (24/7)	155.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	922.8 (3/5)	755.3 (23/7)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	488.2 (24/7)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	July 26	July 25
Daily Gilt Edged Bargains	166.9	158.8
Equities Bargains	95.6	78.5
Value	481.2	340.0
5-day Average Gilt Edged Bargains	131.4	166.6
Equities Bargains	84.6	168.94
Value	442.7	424.5

LEADERS AND LAGGARDS

Insurance Brokers	+20.33	Insurance (Life)	−0.12
Tobaccos	+15.45	Textiles	−0.57
Office Equipment	+14.72	Capital Goods	−0.60
Insurance (Composite)	+12.06	Packaging and Paper	−0.63
Mechanical Engineering	+11.21	Financial Group	−0.69
Brewers and Distillers	+11.04	Other Groups	−1.33
Newspapers, Publishing	+9.06	Metals and Metal Forming	−2.91
Health and H'sehold Products	+8.53	Investment Trusts	−4.17
Discount Houses	+3.74	Stores	−5.19
Property	+2.73	Building Materials	−5.40
Consumer Group	+2.26	Banks	−6.18
Food Retailing	+2.44	Motors	−6.50
Food Manufacturing	+1.04	Mining Finance	−8.16
Shipping and Transport	+0.96	Other Consumer	−9.24
Industrial Group	+0.77	Contracting, Construction	−10.25
500-Share Index	+0.77	Gold Mines Index	−10.69
Oils	+0.73	Chemicals	−12.04
Electronics	+0.62	Electricals	−13.47
Overseas Traders	+0.40	Leisure	−14.04
Other Industrial Materials	+0.05	Merchant Banks	−24.01
All-Share Index	+0.02		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
July 23	Aug 3	Oct 25	Nov 5
Aug 6	Aug 17	Nov 8	Nov 19
Aug 20	Aug 31	Nov 22	Dec 3

For rate indications see end of Share Information Service

Call options were arranged in Yelverton, Brooke Bond, Charterhall, John Brown, Davy Corporation, Eglinton Oil and Gas, North Kalgurli, Commercial Union, Barratt Developments, Bryson, Energy Capital, Flogas, Brunswick Oil, Charter Consolidated, Armour Trust, Petranol, Associated Dairies, Premier Oil, Bula and Strong Fisher. No puts were reported, but doubles were taken out in BP and Balmoral Resources.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

هكذا من الأصل

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3 30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices ◆ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVERNMENTS

CORPORATION AND COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

Young 4.2pcPf 470. 7¼pc1stDb 1986-91 £75½

COMMERCIAL INDUSTRIAL

A—B

AAH Hldgs 6pcPf (£1) 47½ (25/7)
AC Cars (5p) 57
AE 6¾pcDb 1980-85 £26¼ (20/7). 8pc Ln 1989-94 £73¼ ½ (24/7)
AMEC 15pcLn 1992 £109¾ (25/7)

C—D

E—F

E-Systems ($1) $24¼ (23/7)
East Lancashire Paper 7½pc... £69
East Midland Allied Press 79 ... Pf (£1) 35 6 (24/7)
Elbar Ind (50p) 40 (25/7)
Electro-Protective 7pcPf ($1) 80 (25/7)
Empire Stores (Bradford) 9¼pcDb 1994-99 £74 6 (24/7)
English China Clays 6¾pcDb 1985-90 £79½ (23/7). 7¼pcDb 1987-92 £76 (25/7) 7½pcLn 1993-98 £67½ (24/7)

G—H

I—K

L—M

N—O—P

NSS Newsagents 10pcLn 1990-2000 £105
Noble Lund (10p) 13½
North Brit Steel 10◆
North (James) Sons 7½pcLn 1987-92 £75 (24/7)
Northern Eng'g Inds 8.25pcPf (£1) 98 9. 8¾pcLn 1988-93 £78¾ (24/7)

Parkland Textile 89◆
Parrish (J. T.) 289:
Paterson Zochonis 10pcPf 105½ (25/7)
Pavilion Leisure (10p) 20

Q—R—S

T—U—V

W—Y—Z

Waddington (J.) 8pcPf (£1) 60 (24/7)
Wade Potteries 4.2pcPf (50p) 19½ (25/7). 10pcPf (£1) 97½ (20/7)
Walker Staff Hldgs (5p) 32
Walker (T.) (5p) 14
Waterford Glass Grp 11¼pcLn 1976-95 £59 (24/7)
West Bromwich Spring 11.5pcPf (£1) 43 (24/7)
Westland 6pcDb 1983-88 £81
Westwood Dawes 34 (24/7)
Whittingham (W.) Hldgs 8pcLn 1992-97 £72 (25/7)
Wilson (Connolly) Hldgs 10½pc2ndPf (£1) 108 (24/7)

Winterbotham, Strachan Playne 6pcPf (£1) 42 (25/7)
Wire Plastic Products (10p) 31 3 5 (23/7)
Wood (A.) Son (Longport) 7½pcPf (£1) 50 (25/7)
Woodhead (J.) Son 9½pcLn 1989-94 £80 (23/7)
Woolworth Hldgs 14pcLn 1987-89 £104¼ 5 ¼
Yorkshire Chemicals 12½pcLn 1987-92 £97 (24/7)

FINANCIAL TRUSTS

Aitken Hume Intnl 10pcLn 1990-97 £113 4
Armour 10½pcLn 1991-96 £78½ (25/7)

INSURANCE

INVESTMENT TRUSTS

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

Arndale Prop Tst 6¼pcLn 1984-89 £76½ (24/7)
Atlantic Metropolitan (UK) 12pcLn 1991-1997 £104 (23/7)
British Land 15pc1stDb 1987 £109½ (23/7). 12pcLn 2002 £375 (24/7)
Capital & Counties 8¼pcLn 1999-04 (Fp-PAL-31/8/84) £103: 3 ½: 4 5:
Charlwood Alliance Hldgs 7½pcLn (50p) 23 (20/7)
Colman (E. Alec) Inv 8pcLn 1991-96 £58 60 (24/7)
Craigton Combined Secs 8¾pc1stDb 1986-1991 £73 (23/7)
Dares Estates 8pcLn 1992-97 £70 (25/7)

English Prop Corp 7pcLn 1998-2003 £55 (25/7). 12pcLn 2000-05 £105:
Estates & Gen Inv 4.9pcPf (50p) 21
Euston Centre Prop 10.4pc1stDb 1992-97 £89 (20/7)
Hammerson Prop Inv & Dev Corp 420 (25/7)
House Property of London (50p) 210

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

Churchill Energy 10½◆
Club Mediterranee £74½◆ (20/7)
Coal Allied Inds 150 (25/7)
Coles (G. J.) 236 (23/7)
Commodore Intnl £15½
Cons Resources 3
Coopers Res 50 5 (24/7)
Crocker Nat Corp £16 (25/7)
Dayton-Hudson Corp US$330 (23/7)
Delta Air Lines £21.30◆
Dennison Mfg £20¼ (24/7)
Devel Bk Singapore 2650 720 (23/7)
Digital Equip £59 (20/7)
Dome Mines 675◆
Dordtsche Pet Ind £29.33 (23/7)
Dresdner Bk DM 141 (23/7)
Du Pont (E. I.) £32½◆ (25/7)
EZ Inds 375 6
East Coast Minerals 4½ (20/7)
Eastern Pet Aust 15 (25/7)
Echlin Inc 487½
Electronic Data Systems £32½◆ (25/7)

NA Manganese Amkor 20◆ (23/7)
Sandgate Corp £71½◆
Scientific-Atlanta 537 (25/7)
Selangor Coconuts 108
Siemens AG £75
Smithkline Beckman £38

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Explor (£0.25) 9
Voyager Petroleum Oil Royalty (5p)

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

Option		CALLS Oct.	CALLS Jan.	CALLS Apr.	PUTS Oct.	PUTS Jan.	PUTS Apr.
B.P. (*423)	420	25	37	45	22	33	40
	460	12	20	27	49	55	65
	500	7	9	—	87	92	—
	550	4	5	—	137	138	—
Cons Gold (*477)	460	47	57	65	18	28	35
	500	23	37	45	40	47	55
	550	11	24	—	80	82	—
	600	3	12	—	130	132	—
	650	1½	7	—	180	173	—
Courtaulds (*110)	110	10	15	18	7	9	10
	120	6	8	13	14	16	18
	130	4	6	—	21	23	—
	140	2	4	—	31	33	—
	160	1	2	—	51	52	—
Com. Union (*205)	160	49	—	—	3	—	—
	180	31	39	—	4	8	—
	200	18	26	32	11	17	20
	220	10	18	21	22	28	31
	240	6	—	—	40	—	—
G.E.C. (*182)	160	30	36	40	4	6	7
	180	14	20	26	9	14	17
	200	7	9	15	23	26	30
	220	5	—	—	40	—	—
Grand Met. (*292)	275	26	—	—	6	—	—
	280	—	28	36	—	12	14
	300	12	18	24	22	28	30
	330	6	8	—	44	50	—
	360	2⅛	3	—	76	80	—
I.C.I. (*546)	500	46	58	68	7	14	18
	550	16	28	40	30	38	44
	600	5	12	—	70	74	—
	650	2	7	—	118	122	—
Land Sec. (*272)	240	39	—	—	3	—	—
	260	23	30	36	7	12	14
	280	9	17	21	16	21	24
	300	5	9	—	33	36	—
Marks & Sp. (*219)	200	25	29	—	6	10	—
	220	13	18	—	14	18	—
	240	5	8	—	27	30	—
	260	2	4	—	45	48	—
	280	1½	—	—	64	—	—
Shell Trans. (*545)	550	27	37	45	30	35	45
	600	12	22	27	65	70	75
	650	7	12	—	110	112	—
	700	4	6	—	160	162	—

Option		CALLS Aug.	CALLS Nov.	CALLS Feb.	PUTS Aug.	PUTS Nov.	PUTS Feb.
Barclays (*439)	420	37	45	55	8	14	18
	460	9	22	30	28	35	40
	500	2	11	17	70	75	72
	550	1	3	—	115	115	—
	600	1	—	—	165	—	—
Imperial Gp. (*141)	130	14	—	—	2	—	—
	140	7	13	16	4¾	9	11
	160	1½	6	9	24	25	27
	180	1	2	3	44	45	47
LASMO (*263)	260	15	27	37	17	22	28
	280	7	18	27	30	33	42
	300	3	15	18	48	53	60
	330	1½	7	12	73	78	85
Lonrho (*139)	120	20	24	25	1½	2	6
	130	11	16	18	3	7	9
	140	4	10	11	6½	12	15
	160	1½	3½	6	23	25	26
P. & O. (*302)	260	45	52	—	2	4	—
	280	28	35	42	3	10	12
	300	13	21	29	8	18	21
	330	5	12	17	31	35	38
Racal (*226)	180	50	—	—	1	—	—
	200	32	36	42	2	5	8
	220	14	20	26	8	12	16
	240	5	10	16	22	26	30
R.T.Z. (*527)	500	37	55	62	7	19	30
	550	14	25	42	35	45	55
	600	4	12	22	77	82	87
	650	2	6	15	127	130	132
Vaal Reefs (*$95)	90	6½	10½	13	5¼	6¼	8½
	100	2½	7	9½	8½	11	14
	110	1	4	7	18	18½	19⅛
	120	0¾	2½	4¼	27½	27½	29

Option		CALLS Sep.	CALLS Dec.	CALLS Mar.	PUTS Sep.	PUTS Dec.	PUTS Mar.
Beecham (*291)	280	25	33	37	6	9	14
	300	11	18	25	15	18	25
	330	4	8	11	38	45	47
	360	2	4	—	67	70	—
Bass (*351)	300	60	—	—	2½	—	—
	330	30	38	40	7	15	18
	360	12	18	32	30	37	45
	390	5	8	15	52	53	58
De Beers (*$5.23)	550	50	45	58	45	60	70
	600	15	27	40	85	95	105
	650	10	17	24	135	140	145
	700	5	12	—	185	190	—
	750	2	8	—	—	235	—
Guest Keen (*162)	140	27	31	35	3	5	7
	160	12	16	19	7	12	15
	180	3	7	10	20	22	26
	200	1	3	—	39	41	—
Hanson (*197)	180	25	31	—	3	7	—
	187	19	—	—	5	—	—
	200	9	17	22	12	16	19
	220	4	9	12	27	30	32
	240	2	5	—	45	47	—
Tesco (*159)	140	25	30	34	4	5	8
	160	10	15	20	8	12	15
	180	2½	5	9	25	26	29
FT-SE Index (*992)	975	38	55	73	18	35	53
	1000	26	42	57	37	50	68
	1025	14	30	42	52	65	85
	1050	7	20	32	70	84	105
	1075	4	12	23	88	105	125
	1100	2	8	—	110	127	—

July 27. Total Contracts 3,780, Calls 1,884, Puts 1,896.
*Underlying security prices.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$325	—	—	52	26	—		$335.75
GOLD C	$350	8	5.10	16	17	—	—	"
GOLD C	$375	—	—	5	7.90	50	15	"
GOLD C	$400	13	0.50	4	4	—	—	"
GOLD C	$425		—	5	1			"
GOLD P	$325	121	3.90	7	7.70 A	4	9.90	"
GOLD P	$350	37	15	14	17	—	—	"
GOLD P	$375	10	38	21	40	—	—	"
		Sept.		Dec.		Mar.		
SILVER C	$8	—	—	—	—	11	0.65 A	$6.92
SILVER C	$9	—	—	—	—	5	0.55	"
SILVER C	$10	1	0.05	10	0.12	—		"
SILVER P	$7	3	0.25	8	0.44	—	—	"
SILVER P	$8	—	—	—	—	80	1.20 B	"
$/FL C	$315	76	9.90	—	—	—	—	$326.05
$/FL C	$320	410	6.80	2	7.80 B	—	—	"
$/FL C	$325	7	4.10 B	—	—		—	"
$/FL P	$310	1	2.20	8	6.80	—		"
$/FL P	$315	142	3.50 A	—		—	—	"
$/FL P	$320		—	1	11.50 A	—	—	"
$/FL P	$270	20	1	—	—		—	$287.70
£$ C	$130	200	3.20	—	—	—	—	$131.45
		Oct.		Jan.		Apr.		
ABN C	F.400	25	0.50	—	—	—		F.299
ABN P	F.300	25	17.80 A	—	—	—	—	"
AEGN C	F.110	11	6	—	—	8	11 A	F.112
AEGN P	F.110	38	6	24	7.50	—	—	"
AH C	F.180	6	5.50	—	—	—	—	F.176
AH P	F.170	7	3.30	25	5.50	—	—	"
AKZO C	F.80	376	6.80	70	9.20	13	11.50	F.81.30
AKZO C	F.90	680	2.50	267	5.30	30	7	"
AKZO P	F.80	257	4.30 B	46	6.20	22	6.50	"
AMRO C	F.60	33	0.80	—	—	—	—	F.55
AMRO P	F.55	56	4	—	—	—	—	"
GIST C	F.150	33	2.60	3	4.30	—	—	F.138.80
GIST P	F.130	70	1.70	3	3.50	—	—	"
HEIN C	F.130	93	3.50	5	7	—	—	F.122.50
HEIN P	F.120	56	4.50	—	—	—	—	"
HOOG C	F.48.20	95	2	—	—	—	—	F.44.70
HOOG P	F.50	—		61	16	—	—	"
KLM C	F.170	327	5.70	5	9.80 A	3	12.0	F.168.90
KLM P	F.150	78	3.50	3	5.20	1	8	"
NEDL C	F.100	5	7	—	—	—	—	F.101
NEDL P	F.100	2	3.50	—		—	—	"
NATN C	F.210	138	5	2	7.60	—	—	F.204.30
NATN P	F.200	20	5.50	—	—	—	—	"
NNO C	F.200	3	8.50			—	—	"
PEO P	Fr.6818	15	410				—	Fr.6570
PETR C	Fr.6500	10	400					"
PHIL C	F.45	408	1.90	177	3	118	4	F.43.10
PHIL P	F.45	83	3.30	55	3.60	64	3.80 B	"
PHO C	F.45.60	129	1.60	—	—	—		"
PHO P	F.40.90	7	1.40	—	—	—		"
RD C	F.140	466	5	166	8.80	185	10.50	F.137.20
RD C	F.150	544	2.40	727	5.10	120	6	"
RD C	F.160	1175	1.50	84	2.60	88	3.80	"
RD P	F.140	865	7.50	186	8	62	8.50	"
RD P	F.150	386	15	61	16.50	25	15 B	"
UNIL C	F.220	100	32.80	—	—	—	—	F.249.50
UNIL P	F.220	100	1.10	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 14,869

A=Ask B=Bid C=Call P=Put

WRESTLING WITH RECOVERY

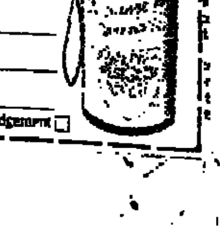
A recent series of features on a cross-section of British manufacturing industry set out to illustrate how they had coped with the worst recession since the '30s and how they viewed the future.

Senior executives of the following companies were interviewed by FT journalists:

Tootal, Armstrong Equipment, DRG, Brown Boveri Kent, Perkins, Sheerness Steel, Croda, IMI, Digico, Alcan, Plessey, Kenwood, Dubilier and Gestetner.

These features have been reprinted in a booklet, priced £3.50, available from:

Nicola Banham,
Financial Times, Publicity Department.
Bracken House, 10 Cannon Street,
London EC4P 4BY



AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sec A	23.8	25.1	.....	—
Blue Chip	18.2	19.2	–0.1	—
Fixed Yield	17.8	18.8	.....	—
Guaranteed Mny	15.4	16.3	.....	—
Managed	17.0	17.9	–0.3	—
International	22.3	23.5	–0.9	—
Property	14.7	15.5	–0.1	—
Pacific	16.4	17.3	–1.2	—
Equity	13.5	14.3	+0.1	—
Special Sits	19.0	20.1	–0.6	—
Int Currency	13.2	13.9	–0.2	—
Index Linked Secs	10.4	11.0	–0.1	—
American	16.5	17.4	–0.2	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	13.49	14.17	.....	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

Multi Gwth July 6	£2.69143		.....	—
Multi Gwth 'A' July 6	248.0	261.1	.....	—
Op 5 Prop July 26	251.9	265.2	.....	—
Op 8 Equity July 27	292.2	307.6	+1.2	—
Op 8 Hy July 26	250.6	263.8	.....	—
Op 8 Man July 26	295.6	311.2	.....	—
Op 8 Dep July 27	194.4	204.7	.....	12.11
Op 8 Int Bond July 26	160.6	169.1	.....	—
Op 8 Inc Dist July 26	130.0	136.9	.....	5.90
Op 8 Int Man July 26	166.6	175.4	.....	—
Op 8 US$ July 26	138.8	146.2	.....	12.12
Pens 8 Pr Ac July 15	318.4	335.2	+4.2	—
Pens 8 Eq Ac July 15	787.2	828.7	.....	—
Pens 8 FI Ac July 15	359.5	378.5	–7.2	—
Pens 8 Md Ac July 15	505.9	532.6	–16.9	—
Pens 8 Dp Acc July 15	298.8	314.0	+2.7	—
PenBGart Glob July 25	891.0	938.0	.....	—
Pens B Gart NA July 15	974.0	1026.0	.....	—
PensBGart Pac July 15	862.0	908.0	.....	—

For Pensions Capital Units please ring extension 519.

Britannia Funds—Series A

Am Smllr Co's July 25	115.4	121.5	.....	—
Am Spec Sits July 25	134.4	141.5	.....	—
Commodity July 25	67.9	71.5	.....	—
Extra Inc July 25	107.5	113.2	.....	—
Far East July 25	87.3	91.9	.....	—
Fin Secs July 25	129.7	136.6	.....	—
Gold & Gen July 25	79.2	83.4	.....	—

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	166.9	175.7	.....	—
UK Equity	171.3	180.4	–0.6	—
Overseas Eq.	160.0	168.5	+3.4	—
Americas	164.4	173.1	+2.9	—
Far East	155.4	163.6	+3.2	—
Property	109.6	115.4	.....	—
Fixed Int.	146.8	154.6	–0.7	—
Indexed Gilt	94.0	99.0	.....	—
Deposit	110.7	116.6	.....	—

Pension Fund Prices

Man. Initial	163.8	172.5	–0.4	—
Man Acc	179.5	189.0	–0.5	—
UK Eq. Initial	160.1	168.6	–1.2	—
UK Eq.	173.1	182.3	–1.3	—
Overseas Eq. Initial	180.5	190.1	+3.2	—
Overseas Eq	204.2	215.0	+3.8	—
Americas Initial	174.7	183.9	+3.3	—
Americas	189.5	199.5	+3.6	—
Far East Initial	192.3	202.5	+3.9	—
Far East	209.9	220.1	+4.3	—
Prop. Initial	104.8	110.4	.....	—
Prop	113.8	119.8	+0.1	—
Fixed Int Initial	129.7	136.6	–0.4	—
Fixed Int.	140.4	147.8	–0.4	—
Indexed Gilt Initial	89.3	94.0	.....	—
Indexed Gilt	96.9	102.0	.....	—
Deposit Initial	109.3	115.1	+0.1	—
Deposit	118.9	125.2	.....	—

NPI Pensions Management Ltd.

Managed Fund	459.2	471.0	.....	—

Prices June 29. Next dealing August 1.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	316.0	325.8	.....	—
UK Equity	138.0	145.2	+1.1	—
American	223.1	234.9	–2.8	—
Pacific	313.8	330.3	+3.1	—
Property	148.5	156.3	.....	—
Gilt	168.7	177.6	+1.3	—
High Inc. Equity	129.7	136.5	+2.0	—
High Inc. Fxd. Int.	96.7	101.8	–0.7	—
Deposit	146.2	153.9	.....	—
Index-Linked Gilt	97.6	102.8	.....	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIG (Managed Funds) Ltd.

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100 11/32	99 27/32	Treas 12pc 1984	99 31/32	–1/32	12.02	12.27
105⅝	101⅞	Treas. 15pc 1985	101⅞xd	–⅛	14.72	11.48
102⅛	100	Exch. 12pc Cnv. '85	100 3/16	–1/16	11.98	11.57
95⅞	93 3/16	Treas 3pc 1985	93½	–⅛	3.21	11.59
102⅝	99½	Treas 11½pc 1985	99⅞	–⅛	11.51	11.61
99¼	96 3/16	Treas 8¾pcCnv '85	97	.....	9.02	11.67
104 7/16	99⅞	Exch. 12¼pc 1985	100⅛	–3/16	12.23	12.03
103 9/16	99 1/16	Exch. 11¾pc '86	99 5/16xd	–3/16	11.83	12.25
102 5/16	96 1/16	Treas. 10pcCnv 1986	96 5/16	–3/16	10.38	12.42
90 1/16	88¼	Treas 3pc 1986	89 7/16	.....	3.35	9.41
102	96¾	Exch. 10½pc Cv '86	97¼	–3/16	10.80	12.19
104 3/16	99 3/16	Treas 12pc 1986	99½	–3/16	12.08	12.34
98¾	93 3/16	Treas 8½pc 1984-86‡‡	93⅞	–1/16	9.05	12.11
108 13/16	102½	Exch. 14pc 1986	102 13/16	–1/16	13.62	12.47
87⅝	85	Exch. 2½pc 1986	85⅝	–1/16	2.93	9.69
107 13/16	100 13/16	Exch. 13¼pc 1987	101¼	–3/16	13.09	12.62
100⅞	94½	Treas 10¼% Cv '87	94 13/16xd	–¼	10.80	12.64
86⅛	83⅛	Exch 2½pc 1987	83 13/16	.....	2.96	9.77
101 5/16	94½	Exch. 10½pc 1987	94 15/16	–¼	11.06	12.74
92 13/16	87	Funding 6½pc '85-87‡‡	87⅜	–1/16	7.44	11.99
99⅝	93 1/16	Treas. 10pc 1987	93 5/16	–3/16	10.72	12.83
85	81 5/16	Treas 3pc 1987	82 7/16	....	3.63	9.95
105	97⅛	Treas. 12pc 1987	97¾	–¼	12.28	12.81
94⅞	87 5/16	Treas 7¾pc 1985-88‡‡	87 13/16xd	–1/16	8.81	12.07
100¾	92 13/16	Exch 10½pc '88	93 3/16	–3/16	11.27	12.80
98 1/16	90 1/16	Treas 9¾pc Cv '88	90½	–3/16	10.77	12.92
82	77	Transport 3pc '78-88	77½	–1/16	3.87	10.08
96 13/16	88½	Treas. 9½pc '88	88 13/16	–¼	10.70	12.98
106¾	94⅞	Treas 11½pc 1989	95¼xd	–¼	12.07	12.92
95 5/16	88¼	Treas 9½pc Cnv. '89	88¼	–¼	10.76	12.89
95½	91⅛	Treas 10½pc 1989	91¼	–¼	11.51	12.96

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
100 3/16	89⅛	Exch.10pc 1989	89¼xd	–⅛	11.20	12.97
85⅛	77½	Treas 5pc 1986-89	78	–¼	6.53	11.03
112⅛	100⅝	Treas 13pc 1990‡‡	100⅝xd	–⅛	12.99	12.96
110⅞	102⅛	Exch. 12½pc 1990	102¼	–⅛	12.78	13.04
93¾	84⅞	Treas 8¼pc 1987-90‡‡	85⅛	–⅛	9.81	12.09
98 13/16	90⅝	Treas. 10pcCv 1990	92	–¼	11.43	12.94
107	95¼	Treas 11¾pc 1991	95⅛	–⅛	12.40	12.96
84⅛	75⅝	Funding 5¾pc '87-91‡‡	76¼	–¼	7.73	11.29
105¾	94⅛	Exch. 11pc 1991	94⅞	–½	12.02	12.82
112⅞	99⅞	Treas 12¾pc 1992‡‡	99⅝	–⅝	12.83	12.87
100⅝	86⅞	Treas 10pc 1992	86⅝xd	–⅜	11.46	12.68
111⅛	95¾	Exch. 12¼pc '92	95⅞xd	–¼	12.66	12.93
117½	106¾	Exch 13½pc 1992	107	–⅜	13.21	13.03

Over Fifteen Years

Undated

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INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
95	65	Marley	69	.....	3.2	2.1	6.6	9.7
58½	49	Marling Ind. 10p	53xd	–1	1.3	ϕ	3.5	ϕ
46	29	Marshall L'ry. 'A'	31	.....	1.2	3.6	5.5	(5.5)
*54	37	Marshall's Univ	48	.....	ϕF1.75	—	5.2	14.4
30	20	Martin-Black	22¢	.....	—	—	—	—
£105	£88	Mathesons 7½%	£98	.....	Q7½%	2.3	8.2	—
378	287	Metal Box £1	306	+2	15.0	3.0	7.0	5.2
228	129	Metal Closures	156	–2	6.3	2.3	5.8	(8.6)
27	13	Metal Sciences 2½p	15	–1	—	—	—	—
19	8	Metamec Jentique	10	.....	0.01	—	—	—
133	83	Midland Marts	88	.....	4.0	1.8	6.5	11.1
64½	45	Mitchell Cotts	50	.....	3.62	1.0	5.9	15.0
29	13	Moben Grp 1p	13	.....	0.5	2.5	5.5	(8.2)
168	132	Morgan Crucible	146	.....	7.5	1.2	7.3	(14.8)
18	13½	Morris (W) Fine Arts	15½	.....	bg0.25	4.0	2.3	14.2
*95	80	Moss (Robt.) 10p	86	.....	2.5	2.9	4.2	10.4
330	197	NMW Computers	300	+10	6.0	3.0	2.9	16.7
65	47	Nash Inds.	48	.....	4.0	2.2	12.3	5.4
47	30	Neil & Sp'ncer 10p	30	.....	—	—	—	12.9
35	16	Newman Industs	17	.....	—	—	—	(9.6)
31	16½	Do. 10pc Cm. Cnv. Pf.	18	–1	10%	—	7.9	—
67	43½	Nolton	51	–4	1.0	2.9	2.8	17.9
175	132	Norcros	132xd	.....	7.5	2.4	8.1	7.0
86	59	Nu-Swift 5p	63	.....	—	—	—	12.3
100	50	Oakwood Grp.	55	.....	‡d6.5	—	‡	—
190	145	Office & Elect.	163	–4	7.5	2.8	6.6	7.3
875	700	Oriflame Intl SA	800	.....	Q53c	2.2	4.5	10.0
46	31	Ovenstone 12½c	31	.....	Q4.5c	2.2	7.7	5.9
£146	£120	Ozalid Fin. Cv.	£122	.....	Q9%	—	17.5	—
190	157	PCT Grp 10p	160	–5	bg4.8	ϕ	4.2	ϕ
207	154	Parker Knoll 'A'	154	.....	8.5	3.0	7.9	5.8
265	197	Pauls	207	.....	8.5	2.8	5.9	7.5
590	403	Pearson	498	.....	14.0	2.7	4.0	11.4
35	21	Peek Holdings	21	.....	—	—	—	—
107	89	Peerless	94	.....	6.3	.15	9.6	(8.6)
99	55	Pentland 10p	97xr	.....	h1.74	2.4	2.6	(18.4)
26	17	Pentos 10p	22	.....	B-	—	—	39.0
34	27	Phillips Patents	34	+1	1.25	1.8	5.3	(12.5)
810	545	Photo-Me 50p	730	–10	†h7.88	6.6	1.5	11.0
350	222	Pilkington Br. £1	263	.....	11.5	2.7	6.2	6.6
£213	£131	Pitn'y Bowes Ln.	£158	–5	Q5½%	—	3.6	—
49	32	Plastic Const. 10p	40	.....	d2.38	1.0	8.5	(17.2)
9	6	Platignum 5p	6½	+½	B-	—	—	—
147	120	Plaxton Int.	120	.....	bg1.64	4.7	2.0	13.7
345	160	Polly Peck ½p	170	–5	†2.8	7.3	2.4	6.0
19	12	Polymark 10p	14½	.....	—	—	—	—
89	70	Do. CmPfA £1	70	.....	10%	—	20.4	—
615	470	Portals	472	.....	17.25	3.0	5.2	8.4
380	268	Powell Duff. 50p	312	–3	16.0	1.6	7.3	11.9
78	36	Prestwich Parker	65	.....	—	—	—	—
134	98	Pritchard Svs.	102	+1	3.5	1.9	4.9	(12.5)
34	25	Protimeter 5p	26	.....	u0.7	2.7	3.8	13.6
103	83½	RFD Group 10p	91	.....	3.39	2.2	5.3	11.1
95	57	Radiant Metal	66	.....	1.5	ϕ	3.3	ϕ
104	90	Ramco Oil 10p	93	.....	u0.7	5.3	1.1	18.6
262	182	Rank Org.	232	–2	†10.0	1.4	6.3	12.8
530	417	Reckitt & Colman	485	.....	12.4	2.3	3.7	14.8
112	80	Redfearn Glass	80	.....	0.1	—	0.2	—
114	63	Reed Exec 10p	91	.....	0.88	ϕ	1.4	ϕ
461	374	Reed Intl. £1	412	–2	16.5	3.1	5.7	6.6
38	28	Reliance Ind 20p	30	.....	†1.75	2.7	8.3	5.1
96	80	Relyon	80	.....	h4.04	2.3	7.2	8.7
235	188	Renown Inc Y50	195	+4	Q25%	ϕ	2.0	ϕ
122	92	Renwick Group	120	.....	—	—	—	21.2
185	144	Restmor	170	.....	†6.5	2.4	5.5	10.9
238	206	Reuters 'B' 10p	221	.....	b2.5	4.1	1.6	21.5
36	24	Rexmore	24	–1	1.46	ϕ	9.1	ϕ
118	78	Ricardo	80	.....	h2.5	2.7	4.5	9.9
111	55	Rivlin (I.D.&S.) 5p	83	–1	0.1	3.1	0.2	—
250	220	Robertson Rsch 10p	222	.....	g3.0	ϕ	1.9	ϕ
11	7	Rock 10p	8	+½	—	—	—	—
40	20	Rockware	29	.....	—	—	—	—
235	125	Rolfe & Nolan 10p	135	–5	4.0	3.5	4.2	9.7
114	89	Ropner	110	.....	4.5	1.1	5.8	23.2
114	86	Do. 'A'	108	.....	4.5	1.1	6.0	22.7
14	6	Rotaprint 5p	6½	.....	—	—	—	ϕ

LEISURE—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
38	10	Nimslo Int 20c	11	.....	—	—	—	—
145	112	Norton Opax 10p	133	.....	65.0	ϕ	2.3	ϕ
		For Our Price see Stores						
31½	14½	Owners Abroad	14½	–¼	0.75	6.1	7.4	2.6
66	35	Photax (Lon.)	46	.....	—	—	—	—
130	73	Pineapple Dnc 5l 10p	82	.....	d1.5	4.0	2.6	10.4
420	285	Pleasurama 5p	310	.....	6.5	4.7	3.0	10.1
158	75	Radio City 'A' NV	75	.....	5.6	1.9	10.7	6.9
70	55	Radio Clyde N/V	55	.....	3.0	1.4	7.8	12.8
148	46	Riley Leisure 10p	50	.....	4.2	2.4	12.0	4.1
118	94	Saga Hols. 20p	94	.....	3.75	1.6	5.7	11.8
390	290	Samuelson Grp £1	310	.....	d12.0	2.7	5.5	9.6
27½	19	Sangers Photo 10p	19	.....	bg1.25	1.8	9.4	8.6
164	98	Scott. TV 'A' 10p	148	.....	8.1	2.9	7.8	6.9
285	186	SeaCo Inc	276	+14	—	—	—	—
35	18	SelecTV 10p	18	–1	—	—	—	—
37	24	TSW 5p	29½	.....	1.2	2.2	5.8	11.4
150	79	TVS N/Vtg 10p	126	–1	†2.0	5.5	2.3	10.4
30	22	Television Svcs 10p	23½	.....	g0.2	3.7	1.2	32.2
90	60	Tottenham Hotspur	69	+2	b4.0	1.9	8.3	(3.8)
147	120	Trid'nt TV 'A' 10p	142	.....	†5.5	1.8	5.5	14.0
168	100	21st Century Dist.	100	.....	—	—	—	—
197	135	Tyne Tees TV 'A' £1	163	.....	8.25	2.4	7.2	8.4
83	53½	Ulster TV N/V 'A'	74	.....	h4.0	2.5	7.7	6.9
25½	17	Webb (Jos.) 5p	17½	.....	d0.51	0.5	4.2	—
98	88	Zetters 5p	89	.....	†3.1	3.0	5.0	9.5

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
76	51	BL 50p	51	.....	—	—	—	—
66	50	Coleman Milne 10p	60	.....	ϕ1.7	2.8	4.0	11.4
255	227	Gen. Mts. Units	227	.....	Q12c	—	3.7	—
385	294	Honda Motor Y50	360	+6	Q23%	6.6	1.0	11.9
85	55	Lotus Car 10p	61	.....	—	—	—	ϕ
46	20	Reliant Motor 10p	37	–1	—	—	—	11.7
£23½	£18⅝	Volvo Kr25	£23¼	+½	Q23%	0.6	2.3	76.5

Commercial Vehicles

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
45	30	ERF (Hldgs)	30	.....	B-	—	—	ϕ
130	88	Plaxtons (GB)	88	.....	h4.5	3.0	7.3	6.4
42	22	York Trailer 10p	29	.....	B-	—	—	ϕ

Components

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
98	66	AE	67½	–2½	m1.4	2.8	3.0	(12.1)
80	48	Abbey Panels	73	.....	—	—	—	—
77	40	Aerospace Eng.	40	.....	dh4.88	1.7	15.8	5.3
26	20	Airflow Stream	21	.....	1.0	5.0	6.8	4.0
36	23	Armstr'ng Eq. 10p	26½	–½	m0.3	7.9	0.5	—
81	38	Automotive	53	–1	1.0	3.4	2.7	(12.4)
*18½	11	Bluemel Bros.	13xr	.....	—	—	—	—
156	122	Dowty 50p	142	.....	4.5	ϕ	4.6	ϕ
48	36	Dunlop 50p	39	+1	—	—	—	—
283	213	Flight Refuelling	235	.....	2.5	4.0	1.5	19.8
*52	26	Hrmn. Smith 10p	26	–1	g0.5	1.9	2.7	24.8
54	33	Kwik-Fit Hldgs. 10p	34	.....	1.57	2.6	6.6	7.4
235	158	Lucas Inds. £1	170	+2	8.6	1.3	7.2	(14.4)
102	87	Solex A 50p	102	.....	4.3	1.7	6.0	(12.0)
41	31	Supra Group 10p	32	.....	1.9	1.7	8.5	12.2
£185	£140	Technofan SA Fr100	£170	.....	FFr150	ϕ	10.4	ϕ
32	20	Woodhead (J.)	20	–1	0.1	30.6	0.7	4.7

Garages and Distributors

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
176	116	Adams Gibbon	174	.....	5.25	4.3	4.3	5.9
12	7	Alexanders 10p	7¾	.....	—	—	—	—
41	27	Appleyard Grp.	29	.....	—	—	—	4.7
152	135	Arlington Motor	138	.....	6.5	2.6	6.7	(6.5)
*22½	15	BSG Int. 10p	15	–½	1.0	3.1	9.5	3.7
170	147	Bramall (C. D.)	147	.....	d6.7	3.7	6.5	5.4
*134	82	Brit. Car Auct. 10p	83	–2	b2.8	2.2	4.8	13.7
140	116	Caffyns 50p	122	.....	4.5	0.4	5.3	—
42	33½	Cowie (T.) 5p	36	.....	d2.0	1.6	7.9	11.6
96	73	Davis Godfrey	73	–1	4.0	2.6	7.8	6.3

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NOTES

ЖЖ Dealt in under Rule 163(3).
Price at time of suspension.
Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
ϕ Merger bid or reorganisation in progress.
Not comparable
Same interim: reduced final and/or reduced earnings indicated
§ Forecast dividend; cover on earnings updated by latest interim statement.
Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
No par value
B.Fr. Belgian Francs. Fr. French Francs. ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xe ex capital distribution. ▣ Price ex Bowater Inc. entitlement.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
			Fin. 13% 97/02	£92⅝	.....
Albany Inv 20p	80	.....	Alliance Gas	63	.....
Craig & Rose £1	800	.....	Arnott	200	.....
Finlay Pkg. 5p	40	.....	CPI Hldgs.	85	.....
Higsons Brew	83	.....	Carroll Inds.	101	.....
Holt (Jos) 25p	890	.....	Hall (R. & H.)	46	.....
IoM Stm. £1	112	–3	Heiton Hldgs.	18	–1
			Irish Ropes	37	.....
IRISH			Jacob (W. & R.)	62½	.....
Exch 12% 1985	£98½	.....	TMG	50	.....
Nat. 9¾% 84/89	£54½xd	.....	Unidare	80	.....

OPTIONS — 3-month call rates

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum

FINANCIAL TIMES

Saturday July 28 1984

MAN IN THE NEWS

Labour's lost love

BY DAVID LENNON

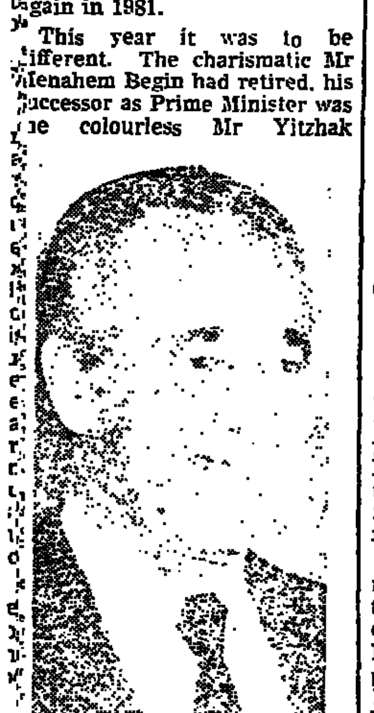
THIS SHOULD have been the happiest week in the life of Mr Shimon Peres, leader of Israel's Labour Party. But when the results of the general election became known it appeared that he may yet again have snatched political defeat from the jaws of electoral victory.

A talented technocrat and a hardworking and dogged politician, Mr Peres, who is 61, often appears to be a sad figure. It is not just his lugubrious appearance, inpenetrable personality or gravelly voice. His almost painful lack of charisma prevents the Polish-born Labour leader from overcoming his poor image in the eyes of many voters.

The fact that the Labour Party won only 44 seats in the general election stunned Mr Peres. He must have begun to wonder just what he had to do to achieve his dream of becoming Prime Minister.

Three times he seemed certain to win. On the eve of the 1977 elections he took over as Labour's leader. Though it was a tired, scandal-ridden and divided party, it was hard to believe that it would be beaten after 29 uninterrupted years in power. Labour lost, as it did again in 1981.

This year it was to be different. The charismatic Mr Menahem Begin had retired, his successor as Prime Minister was the colourless Mr Yitzhak



Shimon Peres

Shamir. The government was responsible for 400 per cent inflation, and the controversial and costly war in Lebanon.

Yet Labour lost seats, because of the even greater losses of the ruling Likud bloc, Mr Peres heads the largest party in the Knesset, but may find it impossible to win the support of enough of the smaller parties to be able to form even a shaky coalition.

Many people place the blame for this squarely on the shoulders of the party leader. They say that his image as an untrustworthy opportunist devoid of any firm ideology lost the party many votes.

During the election campaign the Likud made him the target of character assassination. Unfortunately for Mr Peres, they were able to quote critical passages from books and speeches of other labour leaders which described him as untrustworthy.

It may be politics, but it is still unfair. Though Shimon Peres is not a national war hero, like Moshe Dayan or Arik Sharon, he probably did more than any other individual to enable Israel to achieve its great military victories.

During the 1950s and early 1960s he played the key role as director general of the Defence Ministry and later Deputy Defence Minister in organising and arming Israel's defence forces, developing the nation's arms industry and nuclear research programme.

He travelled abroad constantly to purchase arms and conduct delicate military negotiations. His greatest single achievement came in 1955 with the establishment of the Franco-Israel alliance, involving the more than $16bn arms purchases from France which made possible the Israeli victories in 1956 and 1967.

The man who could be Israel's next prime minister, at the head of a narrow coalition, or as leader of a government of national unity, certainly has plenty of ministerial experience. He has served variously as Minister of Transport, Communications, Information and in the last Labour Government he was Defence Minister.

This must be Shimon Peres's last chance to become Prime Minister. But if the Likud puts together its third successive coalition, it won't be many months before the Labour party selects a new leader.

Argentina to repay $300m loan

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA is to use its own reserves to repay hte $300m loan from four other Latin American countries when it *falls due next week.*

The decision, announced in Buenos Aires yesterday, comes amid *signs of a gradual recognition* by the government of President Raul Alfonsin that it must seek an orthodox solution to its foreign debt problem. Argentina's $43.6bn (£333bn) foreign debt is the third largest *in Latin America.*

In spite of last month's breakdown in talks with the International Monetary Fund, Argentina has continued to make sporadic and unexpected debt service payments to commercial bank creditors.

Officials in Washington also say a more constructive element has been introduced into the IMF talks over the past week.

Sr Leopoldo Portnoy, vice president of the Argentin Central Bank, confirmed in Buenos Aires yesterday that Argentina had already repaid Colombia's $50m share of the loan. The other contributors—Mexico and Venezuela with $100m apiece and Brazil with $50m—are to be paid next week.

The money will come from Argentina's foreign exchange reserves, which have grown strongly this year following a larger than expected foreign trade surplus.

The loan was granted in *March as part of an elaborate* package of aid to help Argentina meet *interest payments on* its foreign debt.

It was conditional on Argentina's making progress towards an economic policy programme agreement with the IMF.

Argentina's decision to repay the loan has *raised expectations* that it will also repay a $125m advance from leading commercial bank creditors when it falls due on August 15. This loan was also tied to the IMF talks and can be extended if an agreement is reached before then.

But inspite of the improved atmosphere in the talks, bankers are very cautious about the prospects for a speedy IMF agreement. The change is that the two sides are talking with each other, not at each other," said one.

A major stumbling block remains Argentina's determination to push through real wage increases in the face of an annual inflation rate nearing 600 per cent.

The bankers said Argentine hopes of agreement with the fund before the IMF annual meeting in late September were still very optimistic. Argentina, however, is sending a negotiating team to Washington next week.

If a breakthrough is made it could change the atmosphere of the annual meeting. The risk of a serious confrontation between creditor and debtor nations at the meting would then be substantially reduced.

Miners' leaders hold first talks with TUC since start of strike

BY JOHN LLOYD, INDUSTRIAL EDITOR

LEADERS of the TUC and of National Union of Mineworkers met in Sheffield yesterday to discuss the miners' dispute. It was the first time the two bodies had come together since the 20-week old strike began.

Mr Norman Willis, the TUC's acting general secretary, and Mr Ray Buckton, TUC president and general secretary of the train drivers' union, Aslef, met Mr Arthur Scargill, the NUM president, and Mr Peter Heathfield, the union's general secretary.

Mr Buckton said last night: "We discussed the situation and we shall be considering among ourselves at the TUC what steps, if any, we can take." NUM officials would not comment on the meeting.

The outcome of the meeting will be reported to Mr Len Murray, the TUC general secretary, when he returns *from a month's sick leave* on Monday. The TUC's finance and general purposes committee — its "inner cabinet" of senior leaders — may be convened to consider how to proceed.

One possibility open to the TUC is the imposition of a levy on members of affiliated unions to raise money for the NUM, now feeling the impact of the *strike on its funds.* However, both sides will proceed cautiously: the NUM is distrustful of any attempts by TUC leaders to take over the conduct of the strike, while TUC leaders are anxious to avoid future charges of "selling out" the miners if they become associated with a settlement formula.

The NUM and the National Coal Board are treating the possibility of renewed talks with even greater caution. Publicly, both sides insist that talks are not yet planned. Mr Ian MacGregor, the NCB chairman, said in a radi interview that he had "*no knowledge*" *of further discussions.* The board said last night that the offer made to the union in talks last week could be withdrawn after a review next week.

However, senior Ministers believe that the special delegate conference in Sheffield in two weeks' time could hold the prospect of a fresh consideration of the NCB's offer and that new talks before then could raise hopes of a settlement. They also accept, however, that the conference could be a forum for drumming up fresh support for the strike.

Mr Stan Orme, Labour's energy spokesman, continues to shuttle patiently between the two sides, with the encouragement of both. However, neither the union nor the board wishes to be seen to be taking the initiative. This applies particularly to the NCB, since it has come under some criticism for going too far in its attempts to *get a settlement during the last* round of talks.

Institutions have mixed feelings on bid for ICL

By Alexander Nicoll

INSTITUTIONAL shareholders yesterday showed mixed feelings about Thursday's surprise bid by Standard Telephones and Cables, the telecommunications group, for ICL, the computer maker.

Their reactions suggested that few would oppose the concept of a bid for ICL, given persistent doubts about its long-term ability to compete unaided against larger foreign competitors in world markets. ICL has recovered since its rescue by the Government in 1981, but so far its sales growth has been slow.

The company's uncertain prospects, are causing institutions such as insurance companies and pension funds to question STC's wisdom in seeking to acquire it.

STC's share price, which fell 28p on Thursday, went down another 10p yesterday to close at 266p. IWth STC offering two of its own shares for seven ICL shares, its offer is now worth 76p a share, or a total of £342m. The cash alternative, at 77p per shaae, is now worth more than the share offer.

ICL shares, which jumped 23p on Thursday's news, fell 3p to close at 81p yesterday.

"We thought ICL was undervalued before the bid, but we don't think its worth much fore than STC is offering," *said one institution investment manager.* Nevertheless, it was quite widely expected that STC would have to offer more to win ICL.

Although ICL has rejected the offer as "totally inadequate," the STC camp was thought to be fairly encouraged by the tone of ICL's response, which it regarded as muted.

Investment managers generally did not quibble with STC's arguments about the industrial logic of a merger, which would combine telecommunications and computer products to offer integrated business and office systems. They tended to regard such advantages, however, as long-term.

It was felt that STC's management had not been tested by *a major acquisition* and would, therefore, probably take time to mesh the companies together.

Several managers holding STC shares in their portfolios said they would be happy with the purchase of ICL on the present terms. "But I don't want to see STC bidding up to get ICL," said one.

Continued from Page 1

Rail

then Transport Secretary, made the go-ahead conditional on improved performance by BR Inter-City. BR said yesterday that Inter-City was on target to make a 5 per cent real rate of return by 1988-89.

Lynton McLain writes: Two main companies are likely to tender for the construction side of the project, Balfour Beatty Power Construction, of Liverpool and Pirelli Construction of Eastleigh, Hampshire. Both have had little or no work from railway electrification projects in Britain for some time.

Balfour Beatty, part of BICC, said last night it had "no comment" on the Government statement, as it was "still too early to say anything."

In December 1981, a Government go-ahead to electrify the lines from London to Ipswich, Norwich and Harwich at a cost of £30m came too late to prevent the Balfour Beatty team of 80 skilled overhead electrification workers being laid-off the following year.

Balfour Beatty's last British Rail electrification work was on the Bedford-London line, finished two years ago.

Pirelli Construction said last night it was "still equipped to carry out a range of projects," although it also has had no UK rail work for some time. "We have all the management skills and people but we do not have a team of electrification workers: that would have to be reassembled for new projects."

Alliance plans court move over BBC's reporting

BY IVOR OWEN

LEADERS OF the Liberal/Social Democratic Alliance are preparing a court action against the BBC because, they claim, it is failing adequately to report the Commons speeches of Liberal and SDP MPs in a way which amounts to a denial of natural justice.

Dr David Owen, the SDP leader, told the Commons yesterday that the Alliance was going to the courts because protests to the BBC's governors and to the Broadcasting Complaints Commission had proved ineffective.

The BBC, he said, was a Government-appointed quango, which acted like part of the old political establishment in reflecting the attempts of the Conservative and Labour leaderships to deny the Alliance's spokesmen sufficient opportunities to voice their views on a scale proportionate to its support in the country as shown by the 1983 General Election and subsequent by-elections.

The Broadcasting Complaints Commission considered the representations made by the Alliance to be outside its terms of reference.

Dr Owen singled out the new version of Yesterday in Parliament—now broadcast by BBC Radio 4 as an integral part of the Today programme—as "a disgrace."

He accused the major parties of fossilising Britain's political institutions and practces, which created the danger of divorcing the Commons from political realities in the country.

That approach was clearly apparent in the way the Government connived in perpetuating an arrangement which allowed the Labour Party to monopolise the 19 days in each Parliamentary session on which the Opposition could choose the subject for debate in the House.

He urged the enlargement of Commons Select Committees to allow the inclusion of more members from minority parties.

Mr John Biffen, Leader of the House, contended that they would then become too unwieldy to be effective.

Mr Alan Beith, the Liberal Chief Whip, tried to gain the support of the Speaker (Mr Bernard Weatherill) to secure changes in Commons procedure which took account of the votes cast for parties at general elections and not just the number of MPs returned as a result of the operation of an unfair electoral system.

The Speaker said matters of procedure were for the House itself to decide.

European

Continued from Page 1

which was taken by the budget committee of the old parliament on July 12.

The MEPs then voted by 212 *votes to 70 for a wider motion* expressing strong reservations about the entire budgetary deal worked out last month at Fontainbleau, which provides for continuing British rebates in future years.

*Lord Douro, budget spokes*man for the Conservative group in the parliament, gave a warning that it would now be "all but impossible for the British Parliament to agree to finance extra spending in 1984" or any longer-term increase in funds in future years.

The money blocked by the parliament includes not only Britain's rebate of Ecus 750m (£450m) but also a further Ecus 211m (£127m) for West Germany, the other big net contributor to EEC finances.

Herr Egon Klepsch, leader of *the Christian Democrat group* in the parliament and himself a member of West Germany's ruling Christian Democratic Union, tried to soften the blow by promising the money would be paid "as soon as a settlement of the supplementary budget is reached."

The prospect is dim for any early resolution of the dispute. The British statement reiterated the Government's stance that the solution to the EEC's spending needs must be found within the existing ceiling of funds. No further formal discussion seems likely before the next meeting of budget ministers on September 6.

Forestry Commission in switch

THE FORESTRY COMMISSION has announced changes in *structure and organisation* at its Edinburgh headquarters and at regional office levels. The new organisation is intended to be in operation by April next year.

Its main aim is to improve the commission's efficiency, as the Government's forestry department and as the manager of publicly-owned forests.

At regional level the management role of the commission's conservators will be enhanced. The commission's present management structure comprising headquarters, 11 conservancy offices and 70 forest districts will be revised to provide seven larger conservancies. As a result, four conservancy offices at Chester, Lyndhurst, Cardiff and Aberdeen will close.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Exco Intnl	420	+ 27
Leigh Ints	75	+ 8
Midsummer Inns	240	+ 20
NMW Computers	300	+ 10
Pactrol Elect	240	+ 60
Singlo	55	+ 3
Tootal	49½	+ 3½
FALLS		
Exch 10½pc 1988	£93$\frac{5}{16}$	− ½
Treas 12½pc 03-05	£108½	− ½
De Brett (Andre)	12	− 4
Espley Trust	35	− 5
Hallite	150	− 20
Hambro Life	392	− 6
ICL	81	− 3
Initial	431	− 55
Legal & General	490	− 8
Lex Service	343	− 15
Lookers	108	− 5
Munford & White	117	− 8
NatWest Bank	593	− 5
Northern Foods	*166*	*− 10*
Notts Mnftg.	188	− 8
Polly Peck	170	− 5
Std Tel & Cables	266	− 10
Britoil	205	− 5
Invent Energy	363	− 15
Shell Transport	550	− 7
De Beers Dfd	398	− 17

WORLDWIDE WEATHER

UK today: Dry with sunny periods in southern England and Wales. Cloudy with rain elsewhere.

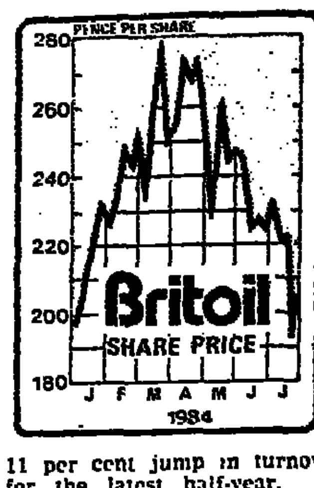
		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	Corfu	S	29	84	Luxmbg	F	18	64	Peking	S	32	90
Algiers	S	27	81	Dallas		—	—	Madeira	S	23	73	Perth	C	17	63
Amsdm	C	19	66	Dublin	C	17	63	Madrid	S	30	86	Prague	C	14	57
Athens	S	30	86	Dbrvnk	S	26	79	Majorca	S	29	84	Rykjvk	R	10	50
Bahrain		—	—	Ednbgh	R	14	57	Malaga	C	26	79	Rhodos	S	27	81
Barclna	F	27	81	Faro	S	28	82	Malta	S	33	91	Rio J'ot		—	—
Beirut	S	29	84	Flornce	F	29	84	Mchstr	C	17	63	Rome	S	30	86
Belfast	C	16	61	Frankft	F	18	64	Melbne	F	11	52	Salzbrg		—	—
Belgrd	F	20	68	Geneva	S	21	70	*Mx Ct*		—	—	*Sfrisco†*	S	12	54
Berlin	C	16	61	Gibrltr	F	27	81	Miami†	F	27	81	Singapr	F	29	84
Biarritz	S	25	77	Glsgw	R	15	59	Milan	S	27	81	Stiagot		—	—
Bmghm	F	25	77	Grnsey	S	21	70	Montrl†	C	17	63	Stckhm	R	11	52
Blackpl	R	16	61	Helsinki	R	17	63	Moscow	C	21	70	Strasbg	C	19	66
Bombay	*F*	*28*	*82*	H. Kong	S	32	90	Munich	R	14	57	Sydney	R	14	57
Bordx	S	26	79	Innsbrk		—	—	Nairobi	C	20	68	Tangier	S	31	88
Boulgn		—	—	Invrnss	R	16	61	Naples	F	29	84	Tel Aviv	S	31	88
Bristol	S	24	75	I.o.Man	R	14	57	Nassau		—	—	Tenerife	S	27	81
Brussls	C	20	68	Istnbul	S	26	79	Nwcstl	R	15	59	Tokyo		—	—
Budpst	F	22	72	Jersey	S	19	66	N Delhi	S	33	91	Trnto†	C	17	63
Cairo		—	—	Jo'burg	S	16	61	N York†	R	18	64	Tunis		—	—
Cardiff	S	23	73	L. Plms	S	26	79	Nice	S	27	81	Valencia	F	29	84
Cape T	F	15	59	Lisbon	S	24	75	Nicosia	S	31	88	Venice	S	25	77
Chicg†	*S*	*15*	*59*	*Locarno*	*S*	*27*	*81*	*Oporto*	*S*	*26*	*79*	Vienna	F	19	66
Colgne	C	17	63	London	S	24	75	Oslo	S	19	66	Warsaw	C	14	57
Cphgn	C	19	66	L. Ang†	F	21	70	Paris	S	23	73	Zurich	R	18	64

THE LEX COLUMN

Opec's barrel overflows

Greatly exaggerated reports of Opec's *death* were *again* troubling the oil markets this week, a sure sign as usual of mounting disarray. By yesterday, BNOC was having to fight a rearguard action against speculation that the $30 Brent crude price could *not* be *held;* and Britoil found itself announcing a 21 per cent jump in interim net profits, to £63.4m, amidst the worst shakeout in the oils sector since early last year. Britoil's shares *dropped 5p to 205p,* bringing its relative decline against the market to 8½ per cent over the week. Even this was exceeded by the 9 per cent drop in Shell's shares and the whole sector recorded a relative fall of 5.5 per cent.

Index fell 1.1 to 776.4



The besetting problem of the oil market remains the strong dollar, which is laying all com*modity markets low.* Demand from product refiners has fallen back in the face of higher non-dollar prices while seasonal stock-building, normal at this time of the year, has been further undermined by the effect of high real interest rates on carrying costs. Cutbacks in the supply of crude, meanwhile, have been rumoured in recent weeks *but cannot be expected* to bring much relief before mid-August at the earliest. Far more apparent to the spot market, anyway, is the rising volume of exports from the USSR and Iran.

It all adds up to a tense fortnight or so for contract crude prices in the aftermath of the fall in spot prices to $27 per barrel or less over the last seven days. News that BNOC has received no formal request yet to cut its third quarter price will have cut little ice in the market: the price has only just been negotiated and some decent interval is needed even in the present circumstances. BNOC's customers, anyway, do not look the most likely source of trouble. Wall Street seems to regard it as only a matter of time before the big U.S. *domestic refiners cut up rough;* but if they tire of buying at $30 or so and selling products into a market place firmly aligned to spot prices of around $27, the Brent market price will have to slide like all the rest.

For Britoil, changes in the crude price would of course compound the difficulties of forecasting profits already exposed to a swinging currency. The sterling value of its sales at the stable $30 level has moved from £19 per barrel in the first half of 1983 to £22.50 in the six months to June. This accounts for virtually all of the 11 per cent jump in turnover for the latest half-year. In profit terms, it has *helped* Britoil almost match the negative impact of higher exploration expenses and the need to allow for the higher sterling value of the group's dollar debt.

Even the sterling factor, *though,* has not *quite managed* to cope with the demands of Britoil's conservatism in the accounting department. The group has marginally upped its depreciation across all its fields and is now depreciating its *South Brae field on a full year's* basis for the first time. This has lifted depreciation charges to £114m from £91m in the second half of 1983, which largely explains the £29m drop in operating profit over that *time.* There are still signs the City has not quite accustomed itself to Britoil's way in such matters: net profits this year could reach £150m unless oil prices really collapse and the shares sit on a prospective *multiple of less than seven* times. Meanwhile, the pessimistic can always take comfort in cash flow now almost up to £1 per share—and North Sea reserves second to none.

Stockbrokers

The City's holiday season unofficially begins today, so it is no surprise that the past week has seen a rush of link-ups by London stockbrokers. While neither Capel-Cure Myers nor Messel was prepared to disclose the terms of its specific agreement, none of the partners concerned should be short of a taxi fare to the airport.

Hoare Govett gave some idea of the going rate for a major broker by announcing that it had done a deal with Security Pacific which valued the business at £78m. Had Hoare not insisted on certain guarantees of management control and performance-linked remuneration, it would probably have achieved a higher price still.

On that basis, it would not take an alliance of many leading brokers to constitute a group with the notional market worth of Brooke Bond, ICL or —for that matter—Midland Bank. The *prices being paid* must be baffling to anyone outside the City, but the mysterious arithmetic of stockbroking deals does at least help to explain why the ranks of unattached firms are shrinking so fast.

Within the first division, only four firms—James Capel, Cazenove, Phillips & Drew and Scrimgeour Kemp-Gee—have yet to form a liaison and a favourite pastime around the City *is guessing which* will be the next to go. Of the four, Cazenove seems most likely to retain its independence, while Scrimgeour is widely reckoned to be on the point of doing a deal.

Both Capel and P & D have *considered a stock market flotation,* as a way of strengthening their capital base and yet retaining management control, but so far have rejected the idea. Both firms probably have adequate capital resources for the time being and a flotation might raise an embarrassingly small sum compared with the bid premiums on offer from single buyers. Moreover, P & D might well need to resolve the latent conflict of interest between its fund management and broking arms before it could contemplate a deal o fany kind

Looking at some of the recent transactions, each of these four firms might reasonably wonder what would be gained—beyond *an injection of capital—from* a link-up. The CCM deal brings together a broking house known principally for its successful UK private client business and an international bank of Australian parentage with only a sprinkling *of retail clients west of Africa.* Messel, meanwhile, is joining up with Shearson Lehman/American Express, which has plenty of expertise in the securities business but is hardly known for its easy-going management style. Yet, for the bold, or the rushed, there are probably enough buyers still waiting in the wings. Lloyds Bank, which has yet to make a move, yesterday announced it was raising £200m of subordinated debt capital. That should be enough to buy a respectable broker, even in today's market.